

WASHINGTON
NEW YORK
HARRISBURG

10754
RECORDATION NO. Filed 1425

AUG 17 1979 - 3 45 PM

HOWARD L. MEYERS
DIAL DIRECT (215) 491-9536
INTERSTATE COMMERCE COMMISSION

MORGAN, LEWIS & BOCKIUS
COUNSELORS AT LAW
123 SOUTH BROAD STREET
PHILADELPHIA, PENNSYLVANIA 19109
TELEPHONE: (215) 491-9200

10754
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LOS ANGELES
MIAMI
PARIS
ASSOCIATED OFFICE

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RECORDATION NO. Filed 1425

August 17, 1979

BY HAND

AUG 17 1979 - 3 45 PM

10754
RECORDATION NO. Filed 1425

Interstate Commerce Commission
Washington, D.C.

AUG 17 1979 - 3 45 PM

INTERSTATE COMMERCE COMMISSION

Re: Maintenance-of-Way Equipment to be leased to
Consolidated Rail Corporation

Gentlemen:

Enclosed herewith for recordation are the following documents and instruments in connection with the financing of the above-referenced maintenance-of-way equipment:

1. Participation Agreement, dated as of August 15, 1979, among MTV Leasing Corporation ("MTV"), Consolidated Rail Corporation ("Conrail") and The Ohio National Life Insurance Company ("Ohio National");
2. Equipment Lease Agreement, dated as of August 15, 1979, between MTV, as lessor, and Conrail, as lessee;
3. Security Agreement, dated as of August 15, 1979, between MTV, as debtor, and Ohio National, as secured party; and
4. Lease Assignment, dated as of August 15, 1979, between MTV, as assignor, and Ohio National, as assignee, with the Consent thereto of Conrail.

The equipment covered by the foregoing agreements is as follows:

Two (2) locomotive cranes - 30 Ton with magnet generator and magnet - Model 5030 DE; Identification Nos. CL-3043 and CL-3044

AUG 17 3 40 PM '79

[Signature]

MORGAN, LEWIS & BOCKIUS

Interstate Commerce Commission
August 17, 1979
Page Two

35 Backhoe/Loaders - J.I. Case Model 580C-CK with
1 yard 80" bucket, 11 L-16 Tires, 10 Ply Front,
17.5 x 24 Tires, 6 Ply Rear; Identification Nos.
EF 5582-EF 5616

The filing fee for the above transaction accompanies this
letter of transmittal.

Kindly acknowledge your receipt of the enclosed documents
and the filing fee by affixing your customary stamp to a copy of
this letter and returning it to the undersigned.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Howard Meyers".

HLM:smo

Enclosures

cc: Henry Koch, Esq.
Joseph T. Rowan, Esq.

Interstate Commerce Commission
Washington, D.C. 20423

8/17/79

OFFICE OF THE SECRETARY

Howard L. Meyers
Morgan, Lewis & Bockius
1123 South Broad Street
Philadelphia, Penn. 19109

Dear

Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 8/17/79 at 3:45pm, and assigned recordation number(s).

10754, 10754-A, 10754-B & 10754-C
Sincerely yours,

Agatha L. Mergenovich
Agatha L. Mergenovich
Secretary

Enclosure(s)

SE-30
(7/79)

10754
RECORDATION NO. Filed 1425

AUG 17 1979 - 8 45 PM

INTERSTATE COMMERCE COMMISSION

PARTICIPATION AGREEMENT
among
MTV LEASING CORPORATION
and
CONSOLIDATED RAIL CORPORATION
and
THE OHIO NATIONAL LIFE INSURANCE COMPANY

Dated as of August 15, 1979

PARTICIPATION AGREEMENT dated as of August 15, 1979 among CONSOLIDATED RAIL CORPORATION, a Pennsylvania corporation (hereinafter called the Lessee), MTV LEASING CORPORATION, a Pennsylvania corporation (hereinafter called the Owner), and THE OHIO NATIONAL LIFE INSURANCE COMPANY, an Ohio corporation (hereinafter called the Lender).

WHEREAS, the Owner will purchase certain units of railroad maintenance of way equipment (hereinafter called the Equipment) as listed in Schedule A hereof, described in two purchase agreements (hereinafter called "Purchase Agreement") from Eastern Railway Supplies and J. I. Case Company (hereinafter called the Vendors), as the Purchase Agreements were assigned to the Owner pursuant to a Purchase Agreement, dated the date hereof, from the Lessee to Owner, a conformed copy of which is attached hereto as Exhibit A;

WHEREAS, the Lessee will lease from the Owner all units of the Equipment pursuant to an Equipment Lease, dated as of August 15, 1979 (hereinafter called the Lease), in substantially the form attached hereto as Exhibit B;

WHEREAS, the Lender will finance 75% of the Acquisition Cost (as defined in the Lease) of the Equipment by purchasing two series of non-recourse Promissory Notes (hereinafter called the Promissory Notes) of the Owner in substantially the form of Exhibit C hereto); and

WHEREAS, as security for the payment of the indebtedness represented by the Promissory Notes, the Owner will grant to the Lender a security interest in the Equipment and in the rents and other sums payable under the Lease pursuant to a Security Agreement (herein called the Security Agreement) in substantially the form of Exhibit D hereto, and pursuant to an assignment of lease (hereinafter called the Lease Assignment) in substantially the form annexed to the Security Agreement;

NOW, THEREFORE, in consideration of the agreements and the covenants hereinafter contained, the parties hereto hereby agree as follows:

1. Subject to the terms and conditions hereof, the Lender will pay to the Vendors on behalf of the Owner, the aggregate amount of \$1,017,746.00, in funds immediately available in Philadelphia, Pennsylvania, not later than 11:00 a.m., on such dates (hereinafter called the Closing Dates) not later than December 31, 1979 and in such amounts as shall be requested by the Owner by written notice delivered to the Lender not less than two business days prior thereto providing however, that no more than three Closing Dates may be scheduled under this Agreement. The Owner represents that said amount equals 75% of the Acquisition Cost of the Equipment, as set forth in Schedule A hereto and that no more than 75% of the Acquisition Cost for any item of Equipment will be paid for by funds supplied to Owner by Lender pursuant to this Agreement.

Simultaneously with each advance on behalf of the Owner, the Owner will execute and deliver to the Lender (or, upon the written request of the Lender, to its nominee) the Owner's Promissory Notes in like principal amount, properly completed to reflect a maturity that coincides with the maturity of the Rental Schedule covering the equipment for the purchase of which the proceeds of the Notes were utilized, dated the date of such payment, together with the Security Agreement, the Lease Assignment and the Lessee's consent and agreement (hereinafter called the Consent) to the Lease Assignment.

The term "business days" as used herein means calendar days, excluding Saturdays, Sundays and any other day on which banking institutions in Philadelphia, Pennsylvania, are authorized or obligated to remain closed. All interest under this Agreement, the Security Agreement or the Promissory Notes (except with respect to any interim period) shall be calculated on the basis of a 360-year of twelve 30-day months.

As soon as practicable after the delivery of each Promissory Note, the Owner will deliver to the Lender a schedule of payments reflecting the dates and amounts of principal and interest payments to be made in respect of the Promissory Notes. The Lender, simultaneously with the final payment to it of all amounts payable in respect of each Promissory Note, will surrender the same to the Owner.

The forms of the Exhibits annexed to this Agreement are hereby approved by the Lender. The Owner and/or the Lessee will not enter into or consent to any modification or supplement to such forms without the prior written approval of the Lender.

2. The Owner and the Lessee severally, and not jointly, each represents and warrants that it has not directly or indirectly offered or sold any of the indebtedness to be represented by the Promissory Notes or other securities to, solicited offers to buy any of such indebtedness or other securities from, or otherwise approached or negotiated in respect of the purchase or sale or other disposition of any of such indebtedness or other securities with any person so as to require registration of the Promissory Notes or any such other securities under the provisions of Section 5 of the Securities Act of 1933, as amended.

3. Lessee warrants, represents and covenants to the same effect as set forth in Sections 2 and 3 of the Lease and in addition, that this Agreement, the Consent and the Purchase Agreement Assignment have been duly and validly authorized, executed and delivered by Lessee and constitute the legal, valid and binding obligation of the Lessee enforceable in accordance with their terms.

4. The Lender represents that it is acquiring the Promissory Notes for its own account, or for the account of one or more pension or trust funds or other institutional accounts, for investment and not with a view to, or for sale in connection with, the distribution of the same, nor with any present intention of distributing or selling the same, but subject, nevertheless, to any requirement of law that the disposition of its property shall at all times be within its control. The Lender, if acquiring the Promissory Notes for the account of one or more pension or trust funds or other institutional accounts, represent that (except to the extent that it has otherwise advised its special counsel, Messrs. Morgan, Lewis and Bockius in writing) it has sole investment discretion in respect of each such account for which it is acting.

The Lender understands that the Promissory Notes have not been registered under the Securities Act of 1933 because the transaction is exempt from the registration requirements of such Act, and that the Promissory Notes must be held indefinitely unless a subsequent disposition thereof is registered under said Act or is exempt from registration.

5. The obligation of the Lender to make any payments on the first Closing Date shall be subject to the satisfaction of the following conditions:

(a) An opinion of Messrs. Morgan, Lewis and Bockius, special counsel for the Lender dated the first Closing Date and addressed to the Lender, to the effect that:

(i) this Agreement, assuming due authorization, execution and delivery thereof by the Lender, has been duly authorized, executed and delivered and constitutes a legal and valid instrument, binding on the parties thereto and enforceable in accordance with its terms;

(ii) the Purchase Agreement Assignment, the Security Agreement and the Lease have each been duly authorized, executed and delivered and each is a legal and valid instrument, binding on the parties thereto and enforceable in accordance with its terms;

(iii) the Lease Assignment and Consent have each been duly authorized, executed and delivered and each is a legal and valid instrument, binding on the parties thereto and enforceable in accordance with its terms;

(iv) the Lender is vested with a valid security interest in the Equipment and the Lease pursuant to and in accordance with the Security Agreement and the Lease Assignment;

(v) this Agreement, the Security Agreement, the Lease and the Lease Assignment have each been duly filed and recorded with the Interstate Commerce Commission in accordance with the requirements of the Interstate Commerce Act and Uniform Commercial Code financing statements have been filed with the Secretary of the Commonwealth of Pennsylvania and the Prothonotary of Berks County, and no other filing or recordation is necessary to protect the rights of the Lender in the Equipment and the Lease under the laws of the United States, any state thereof, or the District of Columbia; no opinion is expressed as to the characterization of the Equipment as "rolling stock" under the Interstate Commerce Act, the Pennsylvania Uniform Commercial Code or other applicable law or the security interest of the Lender in Equipment which from time to time may become subject to the jurisdiction of Canada or any province thereof;

(vi) the Promissory Notes, upon due execution and delivery thereof by the Owner and receipt from the Lender of funds in the same amount as the principal thereof, will constitute legal, valid and binding obligations of the Owner, enforceable in accordance with their terms;

(vii) no authorization or approval from any governmental or public body or authority of the United States of America, or of any of the States thereof or the District of Columbia is, to the knowledge of said counsel, necessary for the execution, delivery and performance of this Agreement, the Security Agreement, the Purchase Agreement Assignment, the Lease, the Lease Assignment or the Consent;

(viii) the legal opinions referred to in subparagraphs (b), (c) and (d) of this Paragraph 5 are satisfactory in form and scope to said special counsel;

and as to such other matters incident to the transactions contemplated by this Agreement as the Lender may reasonably request.

(b) An opinion of Messrs. DeSantis & Koch, counsel for the Owner, dated the first Closing Date and addressed to the Lender, to the effect set forth in clauses (i), (ii), (iii) and (vi) of subparagraph (a) of this Paragraph 5, insofar as such matters relate to the Owner, and to the further effect that:

(i) the Owner is a corporation duly incorporated, validly existing and in good standing under the laws of the Commonwealth of Pennsylvania and has full corporate power, authority and legal right to carry on its principal business as now conducted and to perform its obligations under this Agreement, the Lease, the Lease Assignment and the Security Agreement;

(ii) no mortgage or deed of trust to which the Owner is a party, or other lien, now in existence and which presently affects or which may hereafter affect, any property of the Owner, now attaches, or hereafter will attach, to the Equipment, or in any manner affects or will affect adversely the right, title and interest of the Lender therein;

(iii) no authorization or approval from any governmental or public body or authority of the United States of America, any of the states thereof or the District of Columbia is, to the knowledge of said counsel, necessary for the execution, delivery and performance by the Owner of this Agreement, the Security Agreement, the Lease, or the Lease Assignment;

(iv) the Lender is vested with a valid perfected security interest in the Equipment and the Lease Assignment pursuant to and in accordance with the Security Agreement;

(v) neither the execution and delivery by Owner of this Agreement, the Lease, the Lease Assignment, Purchase Agreement Assignment and the Security Agreement nor the consummation of the transactions herein and therein contemplated or the fulfillment of, or compliance with the terms and provisions hereof and thereof will conflict with, or result in a breach of any of the terms, conditions or provisions of the articles of incorporation (as amended) of the Owner or, to the knowledge of such counsel any bond, debenture, note, mortgage, indenture, agreement or other instrument to which the Owner is now a party or by which it or its property may be bound, or constitute (with the giving of notice or the passage of time or both) a default thereunder;

(vi) to the knowledge of counsel there are no actions, suits or proceedings pending or threatened against or affecting the Owner, or any of its property rights, at law or in equity, or before any commission or other administrative agency, which could materially and adversely affect the condition, financial or otherwise of the Owner or its ability to perform its obligations under this Agreement, and the Purchase Agreement Assignment, and Owner is not in default with respect to any order or decree of any court or governmental commission, agency or instrumentality of which counsel has knowledge.

(vii) under the circumstances contemplated by this Agreement it is not necessary to register the Promissory Note or the Security Agreement under the Securities Act of 1933, as in effect on the date of such opinion, or to qualify the Security Agreement or any other instrument or agreement contemplated hereby or thereby under the Trust Indenture Act of 1939, as in effect on the date of such opinion.

(c) An opinion of counsel for the Lessee, dated the first Closing Date and addressed to the Lender, to the effect set forth in clauses (i), (ii), (iii) and (v) of subparagraph (a) of this Paragraph 5, insofar as such matters relate to the Lessee, as to the matter set forth in Sections 2.2.10 of the Lease and to further effect that:

(i) the Lessee is a corporation duly incorporated, validly existing and in good standing under the laws of the Commonwealth of Pennsylvania and is duly qualified to do business and in good standing in such other jurisdictions in which the business and activities of the Lessee require such qualification; or if not so qualified, its failure so to qualify in any other jurisdiction will not have a materially adverse impact on this Agreement, the Lease, or the Consent;

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(ii) the Lessee has full corporate power, authority and legal right to carry on its principal business as now conducted and to perform its obligations under this Agreement, the Lease and the Consent;

(iii) neither the execution and delivery of this Agreement, the Lease or the Consent nor the consummation of the transactions herein and therein contemplated or the fulfillment of, or compliance with, the terms and provisions hereof and thereof will conflict with, or result in a breach of, any of the terms, conditions or provisions of the articles of incorporation (as amended) or the bylaws (as amended) of the Lessee, or of any bond, debenture, note, mortgage, indenture, agreement or other instrument to which the Lessee is now a party or by which it or its property may be bound, or constitute (with the giving of notice or the passage of time or both) a default thereunder;

(iv) neither the execution and delivery by the Lessee of this Agreement, the Lease or the Consent nor the consummation of the transactions herein and therein contemplated nor the fulfillment of, or compliance with, the terms and provisions hereof and thereof will conflict with, or result in a breach of, any of the terms, conditions or provisions of any law, or any regulation, order, injunction or decree of any court or governmental instrumentality;

(v) no mortgage, deed of trust or other lien of any nature whatsoever, now in existence and which now covers or affects any property or interest therein of the Lessee, now attaches, or hereafter will attach, to the Equipment, or in any manner affects or will affect adversely the right, title and interest of the Owner or the Lender therein;

(vi) except as set forth in the Memorandum for Private Investors dated February 15, 1979 ("Memorandum"), to the knowledge of counsel there are no actions, suits or proceedings pending or threatened against or affecting the Lessee, or any of its property rights, at law or in equity, or before any commission or other administrative agency, which could materially and adversely affect the condition, financial or otherwise of the Lessee, or its ability to perform its obligations under this Agreement, the Lease or the Consent, and except as set forth in the Memorandum, the Lessee is not in default with respect to any order or decree of any court or governmental commission, agency or instrumentality of which such counsel has knowledge;

(vii) the Lease, Lease Assignment and Security Agreement have been respectively filed and recorded with the Interstate Commerce Commission in accordance with the requirements of the Interstate Commerce Act.

(viii) no authorization or approval from any governmental or public body or authority of the United States of America, or of any of the states thereof or the District of Columbia is, to the knowledge of said counsel, necessary for the execution, delivery and performance of this Agreement, the Lease, the Lease Assignment or the Consent;

(ix) under the circumstances contemplated by this Agreement it is not necessary to register the Promissory Notes or the Security Agreement under the Securities Act of 1933, as in effect on the date of such opinion, or to qualify the Security Agreement or any other instrument or agreement contemplated hereby or thereby under the Trust Indenture Act of 1939, as in effect on the date of such opinion.

(d) A certificate of an officer of the Lessee, dated the first Closing Date and reciting that it is intended for the purpose of the Lender relying thereon, to the effect (i) that the Lessee is not in default under, and to the knowledge of the Lessee there is no event which with the passage of time or the giving of notice or both would constitute a default under, this Agreement, the Lease or the Consent, and (ii) that the representations and warranties of the Lessee contained in Sections 2 and 3 hereof and in the Lease are true and correct as of the date of such certificate with the same effect as if made on such date.

(e) A certificate of an officer of the Owner, dated the first Closing Date and reciting that it is intended for the purpose of the Lender relying thereon, to the effect (i) that the Owner is not in default under, and to the knowledge of the Owner there is no event which with the passage of time or the giving of notice or both would constitute a default under, this Agreement, the Lease or the Consent, and (ii) that the representations and warranties of the Owner contained in the Security Agreement and in Section 2 hereof and in the Lease are true and correct as of the date of such certificate with the same effect as if made on such date.

7. The Lessee shall from time to time remit all rentals, and other money payable pursuant to the Lease, to whomsoever the Lender shall direct; however, until the Lender shall give the Owner and the Lessee written notice to the contrary, the Lessee shall remit such sums to the Owner. The Owner shall accept such payments for the account of itself and the Lender and shall apply such payments promptly first, to the payment of installments of principal and interest then due and payable to the Lender under the Promissory Notes in accordance with their terms, and, second, the balance, if any, shall be retained by the Owner for its own account, unless an Event of Default as defined in the Lease or the Security Agreement shall have occurred or be continuing, in which case all such funds shall be held in trust for Lender.

The Owner will accept all sums paid to it pursuant to Section 3.5 of the Lease with respect to Events of Loss (as therein defined) and immediately upon receipt thereof, will apply such sums as follows: (i) such part thereof as shall constitute the Stipulated Loss Value of the items of Equipment which shall have suffered such Casualty Occurrence shall be applied to the pro rata prepayment, without premium, of each of the installments remaining unpaid of the aggregate principal indebtedness evidenced by the Promissory Notes (in proportion to the principal amount of such aggregate principal indebtedness represented by each such installment), and (ii) the balance thereof, to the extent required, shall be applied to the payment of interest, on the principal amount so prepaid, from the date of such prepayment (any amount thereafter remaining to be applied, in the manner aforesaid, in further reduction of the principal indebtedness). The Owner will furnish to the Lender a revised schedule of payments showing the reduction in the installments of principal and interest thereafter remaining payable under the Promissory Note.

Notwithstanding anything to the contrary contained herein, if an Event of Default (as defined in the Security Agreement) shall occur, of which the Lessee has knowledge, then the Lessee without more (i.e., without awaiting receipt of notice from the Lender, or otherwise) shall thereafter pay directly to the Lender all rentals, and other money, thereafter due and payable under the Lease.

All Payments to be made hereunder to the Lender by the Owner shall (subject to timely receipt by the Owner of available funds) be made by bank wire of immediately available funds to the Lender to the account specified in Schedule B hereto.

8. The Lessee will deliver to the Lender, without further request on the Lender's part, all of the reports and other information described in Section 3.12 of the Lease, such delivery to occur at the times prescribed therefor by said Section.

9. All insurance policies required under Section 3.6 of the Lease shall be endorsed so as to be payable to the Lender as its interest may appear, and shall be cancelable only upon written notice to the Lender as provided in said Section.

10. The Lessee will make all necessary arrangements for, and pay all expenses incidental to the filing and recordation of this Agreement, the Lease, the Security Agreement and the Lease Assignment with the Interstate Commerce Commission.

11. The Owner will pay the reasonable fees and expenses of Morgan, Lewis and Bockius to act as special counsel for the Lender.

12. In the event that either the Owner or the Lessee shall have knowledge of an Event of Default under the Lease or under the Security Agreement or any event, which event with the passage of time would be an Event of Default whether or not such party itself may be in default, such party shall give prompt notice by telephone (confirmed in writing) thereof to the Lender.

13. This Agreement having been executed in the Commonwealth of Pennsylvania by at least two of the parties hereto, and having been delivered in said Commonwealth, all of the terms hereof, and all rights and obligations of the parties hereto hereunder shall be governed by the Laws of said Commonwealth. Such terms, rights and obligations may not be changed orally, but may be changed only by an agreement in writing signed by the party against whom enforcement of such change is sought.

14. This Agreement may be executed in any number of counterparts, all of which together shall constitute a single instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized, all as of the date first above written.

Attest:

(CORPORATE SEAL)

R. E. Carlson
Secretary

Attest:

(CORPORATE SEAL)

J. P. D. Lannin
ASSISTANT Secretary

MTV LEASING CORPORATION

By

J. M. Jacques
President

CONSOLIDATE RAIL CORPORATION

By

J. W. B.
Asst. Treas. Fin. & Colls.

THE OHIO NATIONAL LIFE INSURANCE COMPANY

By

Joseph P. Brom
Joseph P. Brom, Vice Pres., Securities
By Joseph P. Brom

COMMONWEALTH OF PENNSYLVANIA :

COUNTY OF Berks :

SS:

On this 15th day of August, 1979, before me personally appeared JOHN M. JACQUEMIN, to me personally known, who, being by me duly sworn, says that he is PRESIDENT of MTV LEASING CORPORATION that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

(Notarial Seal)

Susan B. Nichol
Notary Public

My Commission expires: 6/27/1981

Reading Berks Co.

STATE OF OHIO: :

SS:

COUNTY OF Hamilton :

On this 15th day of August, 1979, before me personally appeared Joseph P. Brom, to me personally know, who, being by me duly sworn, says that he is Vice President of THE OHIO NATIONAL LIFE INSURANCE COMPANY that one of the seals affixed to the foregoing instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

(Notarial Seal)

Teresa Boothby

Teresa Boothby
Notary Public

My Commission expires: Notary Public, State of Ohio
My Commission Expires Oct. 16, 1982

COMMONWEALTH OF PENNSYLVANIA -:

SS:

COUNTY OF PHILA :

On this 17th day of August, 1979, before me personally appeared H.W. Brown, to me personally known, who, being by me duly sworn, says that he is Asst. Treas. Fin. & Adm. of CONSOLIDATED RAIL CORPORATION that one of the seals affixed to the foregoing instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

(Notarial Seal)

Eileen C. Baker
Notary Public

My Commission expires: EILEEN C. BAKER
Notary Public Philadelphia, Penna. exp'd 11/1/82
My Commission Expires October 11, 1982

SCHEDULE A

Equipment

<u>Quantity</u>	<u>Description</u>	<u>Serial Number</u>	<u>Acquisition Cost</u>
2	Locomotive Cranes - 30 ton with Magnet Generator and Magnet - Model 5030-DE	CL3041 CL3042	\$565,260.00
35	Backhoe/Loader - J.I. Case Model 580C - CK with 1 yard 80" bucket, 11 L-16 Tires ply Front, 17.5 x 24 Tires 6 ply Rear	EF5582- EF5616 inclusive	<u>\$791,735.00</u>
Total Acquisition Cost			<u>\$1,356.995.00</u>

SCHEDULE B

Investor:

The Ohio National Life Insurance Company

Maximum Investment: \$1,017,746.00

Mailing Address:

P.O. Box 237
Cincinnati, Ohio 45201
Atten: Securities Division

Address for manual delivery of documents:

237 William Howard Taft Road
Cincinnati, Ohio 45219
Atten: Securities Division

Address for delivery of funds:

Wire transfer in immediately
available funds (with sufficient
information to identify source
and application of funds) to:

The First National Bank of Cincinnati
Cincinnati, Ohio
Account Number 910-275-7
Atten: William R. Trimpe

PURCHASE AGREEMENT ASSIGNMENT

THIS PURCHASE AGREEMENT ASSIGNMENT, dated as of August 15, 1979, between CONSOLIDATED RAIL CORPORATION (the "Assignor"), and MTV LEASING CORPORATION (the "Assignee").

W I T N E S S E T H

WHEREAS, the Assignor has entered into certain purchase agreements numbered 9583659 and dated February 27, 1979 with EASTERN RAILWAY SUPPLIES and numbered 9583665 and dated March 6, 1979 with J. I. CASE COMPANY copies of which are attached hereto as Exhibit A (said purchase agreements as heretofore or hereafter amended, modified or supplemented, are herein singularly or collectively called the "Purchase Agreement") whereby, among other things, the vendors specified in the Purchase Agreement (the "Vendors") have agreed to sell to Assignor, and Assignor has agreed to purchase from the Vendors the equipment specified in the Purchase Agreements (the "Equipment");

WHEREAS, the Assignee wishes to acquire title to the Equipment directly from the Vendors and the Assignor is willing to assign to the Assignee, on the terms and conditions hereinafter set forth, the Assignors rights and interests under the Purchase Agreement and the Assignee is willing to accept such assignment, as hereinafter set forth; and

WHEREAS, the Assignee and Assignor have entered into an Equipment Lease Agreement ("Lease") dated August 15, 1979 for purposes of Assignee's leasing of the Equipment to Assignor.

NOW, THEREFORE, in consideration of mutual covenants herein contained, the parties hereto agree as follows:

1. The Assignor has sold, assigned, transferred and set over and does hereby sell, assign, transfer and set over unto the Assignee all of the Assignor's right, title and interest in and to the Purchase Agreement, as and to the extent that the same relate to the Equipment and the purchase and operation thereof, including, without limitation in such assignment, (a) the right upon due delivery by the Vendor to purchase each unit of the Equipment pursuant to the Purchase Agreement, and the right to directly take title from Vendors to such Equipment and to be named the purchaser in the bill of sale to be delivered by the Vendors for such unit, (b) all claims for damages in respect of each unit of Equipment, arising as a result of any default by the Vendors under the Purchase Agreement, including, without limitation, all warranty and indemnity provisions contained in the Purchase Agreement, and all claims arising thereunder, in respect of each unit of Equipment, and (c) any and all rights of the Assignor to compel performance of the terms of the Purchase Agreement.

2. The Assignor agrees that the Assignee shall not have any obligation or liability to the Vendors under the Purchase Agreement by reason of or arising out of this Assignment or be obligated to perform any of the obligations or duties of the Assignor thereunder except the obligation to pay the purchase price, and Assignor shall hold Assignee harmless from and against the Vendors with respect to the Purchase Agreement or this Purchase Agreement Assignment.

3. The Assignor agrees that, notwithstanding this Assignment or the exercise of the Assignee of any right assigned hereunder, the Assignor shall, in the event that Assignee does not make payment or cause such payment to be made as required by this Assignment or otherwise fails to perform or cause to be performed any of the obligations of the Assignor under the Purchase Agreement, remain obligated and liable to the Vendors under the Purchase Agreement as if this Assignment had not been executed.

4. The Assignor shall promptly and duly execute and deliver any and all such further instruments and documents and take such further action as the Assignee may reasonably request in order to obtain the full benefits of the Assignment.

5. (a) The Assignor represents and warrants that the Purchase Agreement is in full force and effect and are enforceable in accordance with their terms and that the Assignor is not in default thereunder, and knows of no default by the Vendors hereunder.

(b) The Assignor further represents and warrants that the Assignor has not assigned or pledged, and agrees that it will not assign or pledge, so long as this Assignment remains in effect, the whole or any part of the right hereby assigned, to anyone other than the Assignee.

(c) The Assignor represents and warrants that each unit of Equipment has not been put into use by the Assignor as of the date hereof and further represents and warrants that prior to the effective date of this Assignment with respect to any unit of Equipment, the Assignor has not taken any action which would prevent the "original use" of such unit from commencing on or after such effective date.

IN WITNESS WHEREOF, the Assignor and Assignee intending to be bound hereby have caused this Assignment to be duly executed as of the date first above written.

CONSOLIDATED RAIL CORPORATION ("Assignor")

By _____

Title _____

MTV LEASING CORPORATION ("Assignee")

By _____

Title _____

EXHIBIT B

The within Lease and all lease rentals and certain other payments derived therefrom are subject to a security interest in favor of a certain lender under a certain Security Agreement dated as of the date hereof. This Lease has been executed in several counterparts of which this is Counterpart No. _____. To the extent that this Lease constitutes "chattel paper" or other collateral within the meaning of the Uniform Commercial Code in effect in any jurisdiction, only the counterpart stamped or marked "Counterpart Number 1" shall constitute such chattel paper or other collateral.

COUNTERPART NO. ____

EQUIPMENT LEASE AGREEMENT

between

MTV LEASING CORPORATION

and

CONSOLIDATED RAIL CORPORATION

Dated as of August 15, 1979

LEASE NO. MTV-052

Filed and recorded with the Interstate Commerce Commission pursuant to 49 U.S.C.
11303 on _____ recordation number _____

EQUIPMENT LEASE AGREEMENT NO. MTV-052

This EQUIPMENT LEASE AGREEMENT ("Lease") dated as of August 15, 1979, between MTV Leasing Corporation, a Pennsylvania corporation ("Lessor"), and Consolidated Rail Corporation, a Pennsylvania corporation ("Lessee").

I. LEASE OF EQUIPMENT

1.1 Lease. Subject to the terms and conditions of this Lease, Lessor hereby agrees to lease to Lessee, and Lessee hereby agrees to lease from Lessor, the items of equipment specified in Rental Schedules A and B attached hereto (individually referred to as "Unit" and collectively referred to as "Units" or "Equipment"). Notwithstanding the possession and use of the Units by Lessee, Lessor shall and does hereby retain the full legal title to and property interest in the same, it being expressly understood that this Lease is an agreement of lease only.

1.2 Procurement, Delivery and Acceptance. Lessee has ordered the Units identified on Rental Schedule A attached hereto pursuant to a purchase agreement between Lessee and Eastern Railway Supplies ("Vendor"), dated February 27, 1979 and numbered 9583659, and the Units identified in Rental Schedule B attached hereto pursuant to a purchase agreement between Lessee and J. I. Case Company ("Vendor"), dated March 6, 1979, and numbered 9583665, both of which are herein-after referred to as "Purchase Agreements". Lessee has assigned to Lessor all the right, title and interest of Lessee in and to the Purchase Agreements insofar as they relate to the Units by a Purchase Agreement Assignment of even date herewith.

Upon delivery of each Unit of Equipment by the Vendor to the Lessee on behalf of the Lessor, the Lessee will inspect such Unit and if such Unit appears to meet specifications, the Lessee will accept such Unit on behalf of the Lessor and on its own behalf by delivering to the Vendor and the Lessor a duplicate acceptance supplement or supplements in the form attached hereto as Schedule C. ("Acceptance Supplement(s)"). The date of execution and delivery by Lessee of an Acceptance Supplement as respects any Unit of Equipment is hereinafter called the "Delivery Date". The execution and delivery by the Lessee of an Acceptance Supplement to the Lessor shall conclusively establish as between the Lessor and Lessee that such Unit (i) has been accepted by Lessee as of such Delivery Date and (ii) has become subject to and governed by all the provisions of this Lease.

1.3 Base Term of Lease. The Base Term of Lease for each Unit shall commence and terminate as specified on the appropriate Rental Schedule attached, unless sooner terminated as provided herein. This Lease may not be terminated by Lessor except as expressly provided herein and may not be terminated or cancelled by Lessee for any reason whatsoever. If such Base Term of Lease is extended the phrase "Base Term of Lease", as used in this Lease, shall be deemed to include the extended term.

1.4 Rental Payments.

1.4.1 Interim Rental Payment. Lessee covenants and agrees to pay to Lessor on the Lease Commencement Date specified on the Rental Schedules, an Interim Rental Payment for each Unit in an amount equal to .0319444% of the Acquisition Cost (as set forth in the appropriate Rental Schedule hereto and hereinafter defined) of such Unit to Lessor multiplied by the number of days elapsed from and including the date Lessor pays for each Unit of equipment to but excluding the Lease Commencement Date. The phrase "Acquisition Cost", as

used in this Lease as to a Unit shall be deemed to mean the full purchase price of a Unit to be paid by Lessor in accordance with the Purchase Agreement for the Unit.

1.4.2 Base Quarterly Rent. Lessee covenants and agrees to pay to Lessor, during the Base Term of Lease the quarterly rental payments in arrears as specified in the Rental Schedules attached (hereinafter referred to as "Base Rental Payment" or in the aggregate as "Base Rental Payments").

1.4.3 Late Payment. In the event that any Interim Rental Payment, Base Rental Payment or other payment or obligation hereunder shall not be made promptly when due, Lessee shall pay to Lessor upon written demand by Lessor, as additional rental, interest on such overdue payment, from the due date of such payment to the date of payment thereof, at the rate of twelve percent (12%) per annum, or the maximum legal rate of interest permitted by applicable law, whichever is lower. The Interim Rental Payment due in accordance with Section 1.4.1, the Base Rental Payment due in accordance with Section 1.4.2, and the Late Payment due in accordance with this Section 1.4.3, shall each be hereinafter referred to as a "Rental Payment", and collectively as "Rental Payments".

1.4.4 Place of Payment. All Rental Payments and other payments required to be made by Lessee to Lessor hereunder shall be made by wire transfer in immediately available funds to Lessor or its assignee, or at such place as Lessor or such assignee may designate in writing to Lessee.

II.

REPRESENTATIONS AND WARRANTIES

2.1 Lessor's Warranties; Disclaimers.

2.1.1 Warranties. Lessor hereby represents and warrants to Lessee that (i) Lessor is a corporation duly organized, validly existing and in good standing under the laws of the Commonwealth of Pennsylvania (ii) on the Delivery Date Lessor will have received good and marketable title to the Equipment,

free and clear of all liens, claims and encumbrances whatsoever except the rights of Lessee under this Lease and the Lender, as hereinafter defined, under the Security Agreement (iii) Lessor is duly authorized by all requisite corporate action to lease the Equipment to Lessee in accordance with the terms of this Lease, subject to Section 2.1.1 (ii); and (iv) this Lease has been duly authorized, executed and delivered by Lessor and constitutes the legal, valid and binding obligation of Lessor, enforceable (within legal limits imposed by Federal Bankruptcy Laws or laws relating to or affecting creditor's rights generally) in accordance with its terms.

2.1.2 Disclaimers. The warranties set forth in subsection 2.1.1 hereof are exclusive and in lieu of all other warranties of Lessor whether written, oral or implied; and Lessor shall not, by virtue of having purchased and leased the Equipment to Lessee under this Lease, or having received any bill or bills of sale pursuant to this Lease or the Purchase Agreements, be deemed to have made any representation, warranty or covenant with respect to the title (except as set forth in 2.1.1 (ii) above), merchantability, fitness, condition, quality, durability or suitability of any Unit in any respect or in connection with or for the purposes and uses of Lessee, AND LESSOR HEREBY DISCLAIMS ANY OTHER REPRESENTATION OR WARRANTY OF ANY NATURE, EITHER EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING, WITHOUT LIMITATION, (i) LESSOR'S TITLE TO THE EQUIPMENT, (ii) THE EQUIPMENT'S MERCHANTABILITY OR ITS FITNESS FOR ANY PARTICULAR PURPOSE, (iii) THE QUALITY OF THE MATERIAL OR WORKMANSHIP OF THE EQUIPMENT, OR (iv) CONFORMITY OF THE EQUIPMENT TO THE PROVISIONS AND SPECIFICATIONS OF ANY PURCHASE ORDERS RELATING THERETO, IT BEING UNDERSTOOD THAT LESSEE ACCEPTS THE EQUIPMENT FOR THE PURPOSES HEREOF "AS IS"; it being agreed, however, that Lessor authorizes Lessee to assert for Lessee's account, during the Base Term of Lease, all of Lessor's rights under any manufacturer's warranty on the Equipment, or any warranty of title, at Lessee's expense, but Lessee shall indemnify and hold harmless Lessor from and

against any and all claims, and all costs, expenses, damages, losses and liabilities incurred or suffered by Lessor in connection therewith, as a result of, or incident to any action by Lessee pursuant to the above authorization.

2.2 Lessee's Warranties. Lessee hereby represents and warrants to Lessor as follows:

2.2.1 Organization, Corporate Power, etc. Lessee (i) is a corporation duly organized, validly existing and in good standing under the laws of the Commonwealth of Pennsylvania, (ii) is qualified to do business in every jurisdiction in which such qualification is necessary, or if not so qualified its failure to be so qualified will not materially and adversely affect its ability to perform its obligations hereunder, and (iii) has the corporate power and authority to own its properties and to carry on its business as now being conducted and to execute and perform its obligations under this Lease.

2.2.2 Validity of Lease. The execution, delivery and performance by Lessee of this Lease have been duly authorized by all requisite corporate action and will not violate any provision of law, any order of any court or other agency of government applicable to Lessee, the Certificate or Articles of Incorporation, or By-Laws of Lessee, or any indenture, mortgage, agreement or other instrument to which it is a party, or by which it or any of its property is bound, or result in a breach of or constitute (with due notice and/or lapse of time) a default under any such indenture, mortgage, agreement or other instrument, or result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of its property or assets; and this Lease constitutes the legal, valid and binding obligation of Lessee enforceable in accordance with its terms subject to any applicable bankruptcy, insolvency, reorganization or other similar laws affecting the rights of creditors and lessors generally.

2.2.3 Financial Statements. Lessee has previously delivered to Lessor its annual report for the year ended December 31, 1978

which contains certain audited financial statements and the Railroad Annual Report R-1 for the period ended December 31, 1978 as submitted to the Interstate Commerce Commission. All such financial statements, balance sheets, statements of profit and loss and financial data (i) are complete and correct in all material respects, (ii) accurately present the financial condition of Lessee as of the dates, and the results of its operations for the periods, for which the same have been furnished, and (iii) have been prepared in accordance with generally accepted accounting principles consistently followed throughout the periods covered thereby (except as noted therein); and balance sheets disclose all known liabilities, direct and contingent, as of their respective dates, and (iv) except as generally described in the Memorandum for Private Investors dated February 15, 1979 ("Memorandum"), there has been no material and adverse change in the condition of Lessee, financial or otherwise, since December 31, 1978, other than changes in the ordinary course of business, none of which changes has been materially adverse.

2.2.4 Other Information. To the best of Lessee's knowledge and belief, all other written information, reports, papers and data given to Lessor with respect to Lessee by Lessee, through its officers, agents or employees, are accurate and correct in all material respects and complete insofar as completeness may be necessary to give Lessor a true and accurate knowledge of the subject matter.

2.2.5 Other Agreements. Except as to the Amended and Restated Financing Agreement dated May 10, 1979 between the United States Railway Association and the Lessee, Lessee is not a party to any agreement or instrument materially and adversely affecting its present or proposed business, properties or assets, operation or conditions, financial or otherwise, and Lessee is not materially in default in the performance, observance or fulfillment of any obligations, covenants or conditions set forth in any agreement or instrument to which it is a party.

2.2.6 Indebtedness. Except as to the Amended and Restated Financing Agreement dated May 10, 1979 between the United States Railway Association

and the Lessee, Lessee is not in default in the payment of the principal of or interest on any indebtedness for borrowed money or in default under any instrument or agreement under and subject to which any indebtedness for borrowed money has been issued and no event has occurred and is continuing under the provisions of any such instrument or agreement which with the lapse of time or the giving of notice, or both, would constitute an event of default thereunder.

2.2.7 Taxes. Except as set forth in Appendix I of the Memorandum, Lessee has filed all Federal, State, county and municipal tax returns required to have been filed by it and has paid all taxes which have become due pursuant to such returns or pursuant to any assessment received by it (except taxes which Lessee is contesting in good faith and as to which adequate reserves have been provided), and Lessee does not know of any basis for additional assessment in respect of such taxes.

2.2.8 Litigation. There is not now pending against or affecting Lessee, nor to Lessee's knowledge is there threatened, any action, suit or proceeding at law or in equity or by or before any administrative agency, or governmental body which, if adversely determined, would materially impair or affect its financial condition or operations except (i) as disclosed in the December 31, 1978 financial statement of Lessee certified by Coopers & Lybrand, certified public accountants, (ii) as set forth in the Memorandum, or (iii) otherwise disclosed in writing to Lessor.

2.2.9 Interstate Commerce Commission and Uniform Commercial Code Filings. Prior to the initial Delivery Date, this Lease, and its supporting documentation, including the Lease Assignment, Security Agreement and the Participation Agreement, shall have been filed and recorded in accordance with Section 49 U.S.C. 11303 of the Interstate Commerce Act. Within five (5) days of the Delivery Date, Lessee shall at its cost and expense file Uniform Commercial Code financing statements with the Secretary of State of the Commonwealth of Pennsylvania, indicating that the transaction is a true lease filed for record purposes only.

2.2.10 Purchase Agreement. As regards the Purchase

Agreements (i) Lessee has the right to assign the Purchase Agreements as set forth in the Purchase Agreement Assignment (ii) the right, title and interest of Lessee in the Purchase Agreements so assigned is free from all claims, liens, security interests and encumbrances, (iii) Lessee will warrant and defend the assignment (iv) the Purchase Agreements contain no conditions under which the respective Vendors may reclaim title to any Unit after delivery, acceptance and payment therefor and (v) the Equipment when delivered shall be free and clear of all claims, security interests, liens and encumbrances arising through or under the Lease except the rights of Lessee hereunder and the rights of the Lender, as hereinafter defined, under the Security Agreement.

2.2.11 To the Lessee's knowledge, the Equipment is not of the type subject to the Certificate of Title statutes of any state in which the Equipment will be located. Should it be determined subsequently that any such title is required for any Unit, Lessee shall immediately utilize its best efforts to secure the necessary titles at its cost and expense in the name of Lessor and showing the interest of the Lender, as hereinafter defined.

III. COVENANTS OF LESSEE

3.1 Payment of Rent and Other Monies. This Lease is a net lease and Lessee acknowledges and agrees that Lessee's obligation to promptly pay Lessor each and every Rental Payment and other payments payable by it under this Lease and the Rental Schedules attached shall be unconditional and absolute and shall not be affected by any circumstance, including, without limitation (i) any setoff, abatement, reduction, counterclaim, recoupment or other defenses for any reason whatsoever, (ii) any defect in title, condition, design, operation, or fitness for use of, or any damage to or loss or destruction of any of the Units, or any interruption, cessation, prohibition or restriction in the use or possession thereof by Lessee for any reason whatsoever, (iii) any

insolvency, bankruptcy, reorganization or similar proceedings by or against Lessee, or (iv) any other circumstances, happening or event whatsoever, whether or not similar to any of the foregoing. If for any reason whatsoever this Lease shall be terminated in whole or in part by operation of law or otherwise except as specifically provided herein, Lessee nonetheless agrees to pay to Lessor an amount equal to each Rental Payment at the time such payment would have become due and payable in accordance with the terms hereof had this Lease not been terminated in whole or in part. Lessee hereby waives, to the extent permitted by applicable law, any and all rights which it may now have or which at any time hereafter may be conferred upon it, by statute or otherwise, to terminate, cancel, quit or surrender this Lease except in accordance with the express terms hereof. Each Rental Payment made by Lessee to Lessor shall be final as to Lessor and Lessee. Lessee will not seek to recover all or any part of any Rental Payment from Lessor for any reason whatsoever.

3.2 Use of Equipment. Lessee shall, at its own cost and expense, use, maintain and operate the Equipment (i) in a careful and proper manner, ordinary wear and tear accepted, (ii) solely in the conduct of its business, subject to the provisions of Section 3.9 hereof, (iii) in a manner and for the use contemplated by the manufacturer thereof including without limitation, in such manner and use so as not to impair the applicability of Vendor's or manufacturer's warranties and (iv) in compliance with (A) the provisions of all policies of insurance carried by Lessee pursuant to Section 3.6 hereof, and (B) all laws, rules and regulations of every governmental authority having jurisdiction over the Equipment, including without limitation, the interchange rules of the United States Department of Transportation and the Interstate Commerce Commission and/or the American Association of Railroads; provided, however, Lessee shall have the right to contest the application of any law, rule or regulation affecting the use, maintenance or operation of the Equipment, and no violation of the within covenant shall be declared for so long as such contest is conducted by Lessee with due diligence

and in good faith by appropriate legal or administrative proceedings, and if in the written opinion of Lessee's counsel such contest does not involve (i) any danger of the sale, forfeiture or loss of any Unit or any interest therein, (ii) any materially adverse change in the title, property or rights of Lessor in or to the Units or hereunder, (iii) any assessment or penalty against Lessor, (iv) any interference with the due payment by Lessee of rentals hereunder, or (v) any danger of criminal or other liability for which no indemnification is provided hereunder being imposed against Lessor. Except for alterations or changes required by a governmental authority having jurisdiction over the Equipment (which Lessee agrees to make at its cost and expense), Lessee shall not, without the prior written consent of Lessor, affix or install any part, accessory or device on any Unit if the same will impair the originally intended function or use of such Unit. Lessee shall pay all costs, expenses, fees and charges incurred in connection with the use and operation of the Equipment. Lessee shall not assign any Unit to regular service outside the continental United States.

3.3 Maintenance. Lessee shall at all times during the Base Term of Lease, at its own cost and expense, maintain, service and repair the Equipment so as to keep it in as good operating condition, order, repair and appearance as it was when it first became subject to this Lease, ordinary wear and tear excepted; and at all times during the term hereof the Equipment shall be suitable for use in interchange. Lessee shall, at its own cost and expense and within a reasonable period of time replace all parts of any Unit that may become worn out, lost, destroyed or otherwise rendered permanently unfit for use with appropriate replacement parts, free and clear from any mortgage, lien, charge or encumbrance (and title thereto shall vest in Lessor immediately upon installation, attachment or incorporation of the same in, on or into such Unit.)

3.4 Taxes. In addition to the Rental Payments and other amounts payable by Lessee under this Lease, Lessee shall pay promptly all taxes, assessments, license fees and governmental charges, municipal, state, Federal and foreign (hereinafter referred to as "Imposts"):

(a) levied or assessed against Lessee (i) in respect of this Lease or the Purchase Agreements (ii) upon the interest of the Lessee in the Equipment, (iii) upon the use or operation thereof, or (iv) upon the earnings of Lessee arising therefrom; or

(b) levied or assessed against Lessor (i) on account of the purchase, lease, ownership, possession, maintenance, use, delivery, operation, or return of the Equipment, (ii) on account of or measured by the use of operation thereof, or (iii) on account of or measured by the earnings, rentals (including Rental Payments) or gross receipts arising therefrom, excluding, however, any net income taxes payable by Lessor to the United States or any state or political subdivision thereof (except any such tax which is in substitution for, or relieves Lessee from the payment of, any tax or other charge for which Lessee would otherwise be obligated to pay as provided herein), but including any excise, franchise (imposed only as a result of the business, transactions or facts directly related to this Lease and excluding any franchise taxes imposed by the Commonwealth of Pennsylvania or any political subdivision thereof), sales, use or similar tax imposed on Lessor, on account of the use or sale (except a sale pursuant to subsection 4.3.2 hereof) of the Equipment by, to or for the account of Lessee hereunder; provided, however, that Lessee shall not be required to pay such Impost if and so long as it shall in good faith, with due diligence and by appropriate legal or administrative proceedings, contest the validity, applicability or amount thereof, so long as such proceedings or the nonpayment of such Impost does not, in the written opinion of Lessee's counsel acceptable in form and substance to Lessor, involve (A) any danger of the sale, forfeiture or loss of any Unit or any interest therein, (B) any materially adverse change in the title, property or rights, of Lessor in or to the Units or hereunder, (C) any assessment or penalty against Lessor, (D) any interference with the due payment by Lessee of rentals hereunder or (E) any danger of criminal or other liability for which no

indemnification is provided hereunder being imposed against Lessor. If Lessee does elect to contest an Impost Lessor shall make available to Lessee any information relating to this Lease or the Equipment in the Lessor's possession and not otherwise available to Lessee which information is reasonably required by Lessee to pursue such contest. If the claim is made against Lessor for any Impost payable by Lessee hereunder, Lessor shall promptly notify Lessee, and if Lessor pays the same, Lessee will promptly reimburse Lessor therefor. If any Impost payable by Lessee hereunder is, by law, to be assessed or billed to Lessor, Lessee shall, at its expense, do any and all things required to be done by Lessor in connection with the levy, assessment, billing or payment thereof; and Lessor hereby authorizes Lessee to act for and on behalf of Lessor in connection therewith but Lessee shall indemnify and hold harmless Lessor from and against any and all claims and all costs, expenses, damages, losses and liabilities incurred or suffered by Lessor in connection therewith, as a result of, or incident to, any action by Lessee pursuant to the above authorization. Lessee shall cause all billing of Imposts levied against Lessor to be made to it in care of Lessee, and shall, from time to time, on request of Lessor, submit written evidence of the payment of such Imposts.

In the event any reports with respect to any Impost are required to be made, Lessee shall either make such reports in such manner as to show Lessor's ownership of the Units or notify Lessor of any requirement and make such reports in such manner as shall be satisfactory to Lessor.

3.5 Loss of Equipment.

3.5.1 Risk of Loss. Lessee shall bear the risk of any Unit being lost, destroyed or otherwise rendered permanently unfit or unavailable for use (hereinafter called an "Event of Loss") on or after the Delivery Date of such Unit thereof. For the purposes of this Lease, a Unit shall be deemed to have been otherwise rendered permanently unfit or unavailable for use, without limiting the general meaning of such phrase, if any such Unit shall have been (i) confiscated,

condemned or taken by any governmental body, de facto or de jure, by exercise of the power of eminent domain or otherwise, (ii) damaged or worn out to such an extent rendering repair impracticable or uneconomic, or repair, if practicable, shall not be accomplished within 90 days after the occurrence of the damage or (iii) stolen or misappropriated and not recovered by Lessee within sixty (60) days after discovery or notice thereof.

3.5.2 Event of Loss. If an Event of Loss shall occur with respect to any Unit during the Base Term of Lease, Lessee shall promptly notify Lessor thereof and shall pay to Lessor on the date the next succeeding Basic Rental Payment is due, following the Event of Loss, an amount equal to the Stipulated Loss Value of such Unit determined in accordance with Exhibit I(A) and Exhibit I(B) hereto, whichever is applicable (to the extent the same has not theretofore been paid to Lessor as the proceeds of insurance or of any condemnation, confiscation or other taking in respect thereof).

In addition, Lessee shall pay the Base Rental Payment applicable to such Unit on the date on which Lessee pays the Stipulated Loss Value of such Unit, as provided in this subsection 3.5.2, whereupon Lessee's obligations to pay the same with respect to such Unit shall terminate.

3.5.3 Disposition of Insurance and Other Proceeds. The proceeds of insurance or of any confiscation, condemnation or other taking in respect of a Unit as to which an Event of Loss has occurred shall be paid to and retained by Lessor; provided, however, Lessee shall be entitled to reimbursement, from the insurance or condemnation proceeds only, in an amount equal to the amount of the Stipulated Loss Value actually paid to Lessor in accordance with Section 3.5.2 hereof. The proceeds of insurance in respect to damage to a Unit, the repair of which is practicable shall, unless an Event of Default hereunder has occurred and in continuing, be held in trust by Lessor and after such repair has been made and such Unit restored to good operating condition, applied either to the costs of such repair or to the reimbursement of Lessee for the costs of such repair, at the election of Lessee upon written notice to Lessor within ninety (90) days of the occurrence of the damage.

3.6 Insurance.

3.6.1 Coverage. At its own expense, Lessee shall maintain physical damage insurance on the equipment against fire, collision, and such other perils and in such amounts as Lessee maintains on similar equipment (whether owned or leased by Lessee) and as are usually carried by major Class I Railroads (as defined by the rules and regulations of the Interstate Commerce Commission and by the American Association of Railroads) showing Lessor as loss payee and additional insured as the case may be. Further, at its own expense, Lessee shall maintain insurance protecting the interests of both Lessor and Lessee against liability for property damage to third persons and personal injury or death arising out of the maintenance, use, operation or ownership of the Equipment, in such amounts as Lessee maintains on similar equipment (whether owned or leased by Lessee) and as are usually carried by Class I Railroads (as defined by the rules and regulations of the Interstate Commerce Commission and by the American Association of Railroads) showing Lessor as loss payee or additional insured as the case may be.

3.6.2. Policy Provisions. Lessee shall cause each insurance policy issued pursuant to the requirements of subsection 3.6.1 hereof to provide, and the insurer issuing such policy to certify to Lessor, that (i) Lessor, as owner and lessor of the Equipment, is loss payee or an additional insured thereunder depending upon whether the policy in question is a casualty policy or a liability policy, (ii) all provisions of such policy, except the limits of liability, will operate in the same manner as if there were a separate policy covering each insured and (iii) if such policy be cancelled or materially changed for any reason whatsoever such insurer will promptly notify Lessor and such cancellation or change will not be effective for thirty (30) days after notice to Lessor.

3.6.3. Delivery of Policies and Receipts for Premiums. Lessee shall deliver to Lessor copies of each such insurance policy (or a certificate of insurance relating thereto) upon or prior to the execution hereof and copies of each renewal policy (or a certificate or other evidence of insurance relating thereto)

prior to the expiration of the original policy or preceding renewal policy, as the case may be (provided, however, that Lessee shall notify Lessor in writing of the status of such insurance thirty (30) days prior to the expiration thereof in the event that it has not then delivered to Lessor a renewal policy, or a certificate or other evidence of insurance relating thereto), and Lessee shall deliver to Lessor receipts or other evidence that the premiums thereon have been paid if reasonably requested by Lessor.

3.7 Indemnity. Except as otherwise specifically set forth herein, Lessee agrees to indemnify and hold harmless Lessor, its successors and assigns, from and against any and all liabilities, obligations, expenses, claims, (including claims for negligence or strict liability in tort), losses, costs, disbursements (including legal fees and expenses), actions, suits, judgments, penalties, damages, of whatsoever kind and nature (hereinafter referred to individually as "Indemnity" and collectively as "Indemnities") imposed on, incurred by or asserted against Lessor or any successors or assigns thereof, in any way relating to or arising out of this Lease or arising out of any of the letters, other agreements or instruments executed in connection herewith, including, but not limited to:

(i) the manufacture, purchase, delivery, non-delivery acceptance or rejection, ownership, management, lease, control, possession, use, operation, maintenance, repair, replacement, storage, condition (whether defects are latent or discoverable by Lessor or Lessee), sale, return or other disposition of the Equipment, or any part thereof,

(ii) the use in or about the construction or operation of the Equipment of any design, article, or material which infringes or is claimed to infringe on any patent, trademark, copyright or other right, or

(iii) the failure of Lessee to observe and conform to the statutes, ordinances or other regulations or requirements of any governmental authority applicable or relating to the Equipment, except for any Indemnities arising out of the gross negligence or willful misconduct of Lessor.

The covenant of indemnity contained in this Section 3.7 shall continue in full force and effect notwithstanding the full payment of all amounts due hereunder or the termination of this Lease in any manner whatsoever.

The Lessee's obligations under the Indemnities provided for in this Lease shall be those of a primary obligor regardless of whether the Lessor shall also be indemnified with respect to the same matter under the terms of any other document or instrument, and the Lessor may proceed directly against the Lessee without first seeking to enforce any other right of indemnification. Upon the payment in full by the Lessee of any Indemnity provided for under this Lease, the Lessee shall be subrogated to any right of the Lessor in respect of the matter as to which such Indemnity was paid.

3.8 Inspection. Lessee shall permit any person designated by Lessor, at Lessor's expense and at its option, to visit and inspect the Equipment, or any part thereof, and any records pertaining to the use and maintenance thereof, at such reasonable times and places and as often as Lessor may reasonably request.

3.9 Possession; Assignment; Pledge. Lessee shall not, without prior written consent of Lessor:

- (a) sublease, hire out or otherwise transfer or part with the possession, control or custody of the Equipment, or any part thereof;
- (b) assign this Lease or its interests hereunder; or
- (c) create, incur or suffer to exist any mortgage, pledge, lien, security interest, encumbrance or charge on, or adverse claim with respect to, the Equipment, or any part thereof, or its interest therein, by, through or under Lessee.

3.10 Identification. With respect to the Units identified on Rental Schedule A hereto Lessee shall, at its own cost and expense, cause each Unit to be legibly marked in a reasonably prominent location on each side thereof, in letters not less than one inch in height, the words "Owned by MTV Leasing

Corporation and subject to a Security Agreement filed with the Interstate Commerce Commission". Lessee shall not remove or deface, or permit to be removed or defaced, any such marking or the identifying Vendor's serial number, or the Lessee's identification numbers. With respect to the Units identified on Rental Schedule B hereto Lessee shall, at Lessee's expense, affix or attach to the Equipment a sign, stencil, plaque, legend, tag or other form of notice to disclose permanently Lessor's ownership of the Equipment subject to a Security Agreement under the Uniform Commercial Code. With respect to all such Units, in the event of any removal or defacement, of such identification Lessee shall promptly cause such marking, serial number or identification number to be replaced. Lessee shall not allow the name of any person, association or corporation to be placed on any Unit in any manner that might be interpreted as a claim or ownership; provided, however, that Lessee may cause the Equipment to be lettered with the names or initials or other insignia customarily used by Lessee on equipment used by it of the same or a similar type as the Equipment for convenience of identification of its rights to use the Equipment as permitted under this Lease.

3.11 Equipment to be Personal Property. It is expressly understood that all the Equipment shall be and remain personal property and Lessee shall do all acts and enter into all agreements necessary to insure that the Equipment remains personal property.

3.12 Financial and Other Statements.

3.12.1 Financial Statements. Lessee shall furnish to Lessor so long as this Lease shall continue in effect:

(a) as soon as available, and in any event within 120 days after the end of each fiscal year of Lessee, copies of Form R-1 filed with the Interstate Commerce Commission (or any other comparable report substituted therefor which includes certified financial information);

(b) as soon as available, and in any event within 45 days

after the end of each of the first three quarterly periods in each fiscal year of Lessee, copies of the Quarterly Report of Revenue, Expenses & Income-Railroads, and Condensed Balance Sheet-Railroads, of Lessee to the Interstate Commerce Commission for such quarterly period (or any other comparable report substituted therefor);

(c) within sixty (60) days after the end of the first half of each of its fiscal years, its balance sheet as of the end of such half, in sufficient detail to render the same comparable to annual report and certified by the principal financial officer of Lessee as having been prepared in accordance with generally accepted accounting principles consistent with those reflected in its audited financial statements and as to the truth, accuracy and completeness of the information contained therein;

(d) within one hundred twenty (120) days after the end of each of its fiscal years, a complete conformed copy of an executed report of an examination of its financial affairs made by recognized and reputable certified public accountants, such report to include a balance sheet and a statement of profit and loss for such year in the same detail as heretofore furnished to Lessor and an unqualified opinion to the effect that such balance sheet and statement of profit and loss fairly present the financial condition of Lessee

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and the results of its operations in conformance with generally accepted accounting principles applied on a consistent basis, except as may be described in such opinion;

(e) annually, within sixty (60) days after the Lessee's Five Year Business Plan has been submitted to the United States Railway Association a summary thereof generally made available to the public; and

(f) with reasonable promptness, such other financial data as may from time to time be reasonably requested by Lessor.

Any financial statement furnished pursuant to this Section 3.12.1 may be a consolidated statement (i.e., consolidate the financial information with respect to Lessee with that of its consolidated subsidiaries, if any).

IV. DEFAULT AND REMEDIES

4.1 Events of Default. The occurrence of any of the following shall constitute an Event of Default hereunder: .

4.1.1 Default in Payment. Lessee shall fail to pay all or any part of a Rental Payment or other payment hereunder when and as the same shall become due and payable, and shall continue to fail to do so for a period of five (5) business days thereafter.

4.1.2 Breach of Warranty. Any representation or warranty made in this Lease, or the Participation Agreement or in any report, certificate, financial statement or other written statement furnished pursuant to the provisions of this Lease, or the Participation Agreement shall prove to have been false or misleading in any material respect as of the date on which the same was made.

4.1.3 Breach of Covenant. Lessee shall fail to duly observe or perform any covenant other than its covenant to make payments as herein provided (a breach of which is governed by Section 4.1 above), condition

or agreement made by it hereunder or in the Participation Agreement and shall continue to fail to observe or perform the same for a period of thirty (30) days after written notice thereof by Lessor to Lessee.

4.1.4 Bankruptcy, Receivership, Insolvency, etc.

A petition for reorganization under Section 77 of the Bankruptcy Act, as now constituted or as said Section 77 may be hereafter amended, shall be filed by or against the Lessee and all the obligations of Lessee under this Lease shall not have been duly assumed by a trustee or trustees appointed in such proceedings or otherwise given the same status as obligations assumed by such a trustee or trustees within thirty (30) days after such appointment, if any, or sixty (60) days after such petition shall have been filed, whichever shall be earlier; or any proceedings shall be commenced by or against Lessee under any bankruptcy or insolvency laws, or laws relating to the relief of debtors, readjustments of indebtedness, reorganizations, arrangements, compositions or extensions (other than a law which does not permit any readjustment of the indebtedness payable hereunder), and all the obligations of Lessee under this Lease shall not have been duly assumed by a trustee or trustees or receiver or receivers appointed for Lessee or for its property in connection with any such proceedings or otherwise given the same status as obligations assumed by such a trustee or trustees or receiver or receivers, within thirty (30) days after such appointment, if any, or sixty (60) days after such proceedings shall have been commenced, whichever shall be earlier.

4.2 Remedies. If an Event of Default hereunder shall occur and be continuing, Lessor may exercise any one or more of the following remedies:

4.2.1 Termination of Agreement. Terminate this Lease and Lessee's rights hereunder.

4.2.2 Specific Performance or Damages. Proceed, by appropriate court action or actions either at law or in equity, to enforce performance by Lessee of the applicable covenants of this Lease or to cause Lessee to pay to Lessor an amount equal to the applicable Stipulated Loss Value and the Basic Rental Payment then due, not as a penalty but for loss of a bargain.

4.2.3 Repossession. Subject always to any mandatory requirements of applicable law then in effect Lessor may:

(a) personally, or by agents or attorneys, retake possession of the Equipment, or any Unit, from Lessee (and any items in or on the Equipment at the time of repossession, wherever such items may be, which items shall be held in storage for Lessor, at Lessee's risk and expense, without liability on the part of Lessor), with or without notice of hearing or other process of law, without liability to return to Lessee any Rental Payment or other payments theretofore made by Lessee and free from all claims made by Lessee, and for that purpose Lessor may enter upon Lessee's premises where any of the Equipment is located, remove the same without liability for suit, action or proceeding by Lessee and, use, without charge in connection with such removal any and all services, supplies, aids and other facilities of Lessee; or

(b) retake possession of the Equipment, or any Unit thereof, without liability to return to Lessee any Rental Payment or other payments theretofore made by Lessee and free from all claims by Lessee, by directing Lessee in writing to assemble the Equipment and deliver the same to Lessor, at Lessor's option, at Philadelphia, Pennsylvania, Chicago, Illinois, the Potomac Yards, Alexandria, Virginia or at such other place on Lessee's lines as Lessor reasonably designates, in which event Lessee shall at its own risk and expense forthwith cause the same to be moved to the place so designated and there delivered to Lessor; it being understood (i) that Lessee's obligations so to deliver the Equipment are of the essence of this Lease and that, accordingly,

upon application to a court of equity having jurisdiction, Lessor shall be entitled to a decree requiring specific performance by Lessee of such obligations; and (ii) that Lessor may, without charge, pending further action by Lessor as hereinafter in this Article IV provided, keep any of the Equipment repossessed by Lessor pursuant to this clause on storage tracks of Lessee as Lessor may designate in or near Philadelphia, Pennsylvania, Chicago, Illinois, Alexandria, Virginia or such other reasonably designated location for a period not exceeding 180 days. The Units shall be delivered in the condition in which they are required to be maintained by Lessee under Section 3.3 hereof, shall be maintained by Lessee, at its own risk and expense, in such condition during the period of storage provided for in this Section 4.2.3, shall be insured by Lessee at its own cost and expense in accordance with Section 3.6 hereof; and at the time of such repossession and during such period of storage shall be kept free and clear of all liens, charges, security interest and encumbrances in accordance with Section 3.9 hereof. During any such storage period, Lessor or any person designated by it, including the authorized representative or representatives of any prospective purchaser or lessee of the Units, may inspect the same; provided, however, that Lessee shall not be liable, except in the case of negligence of Lessee or of its employees or agents, for any injury to, or the death of, any person exercising, either on behalf of Lessor or any prospective purchaser, the right of inspection granted under this sentence.

4.2.4 Other. Exercise any other remedy specifically granted hereunder or now or hereafter existing in equity or at law, by virtue of statute or otherwise.

4.2.5 Unpaid Amounts and Costs. Lessee shall be liable for any and all unpaid amounts due hereunder before, during or after the exercise of any of the foregoing remedies and for all reasonable attorneys fees and other costs and expenses incurred by reason of an Event of Default or the exercise of any of Lessor's remedies, including any and all costs and expenses suffered or incurred by Lessor in retaking or attempting to retake possession of the Equipment.

4.3 Disposition of Equipment. In the event Lessor repossesses the Equipment, Lessor thereafter may (a) lease the Equipment, or any portion thereof

in such manner, for such time and upon such terms as Lessor may determine, or
(b) sell the Equipment, or any portion thereof, at one or more public or private sales, in such manner at such time or times and upon such terms as Lessor may determine, free and clear of all rights of Lessee under this Lease.

4.3.1 Lease. In the event that Lessor shall enter into a lease or leases of any Units, the present value of the rentals received by Lessor in connection therewith for the Remaining Lease Term (as such term is hereinafter defined) respectively applicable to such Units shall be applied to the payment of (i) any and all expenses and fees (including reasonable attorneys' fees) incurred by Lessor in retaking possession of, and removing, storing and leasing such Units, (ii) the costs and expenses incurred by Lessor in repairing the same, (iii) the present value of the Rental Payments then remaining unpaid under this Lease, and (iv) any and all other sums then owing to Lessor by Lessee hereunder. The remaining balance of such rentals, if any, and the rentals received by Lessor under any lease of any such Unit for the period commencing after the expiration of the Remaining Lease Term applicable to such Unit, shall be retained by Lessor. Lessee shall remain liable to Lessor to the extent that the aggregate amount of the sums referred to in clauses (i) through (iv) above shall exceed the aggregate present value of the rentals to be received by Lessor under such leases for the respective Remaining Lease Term applicable to the Units covered by such leases. The Remaining Lease Term with respect to any Unit shall mean the period ending on the date on which the Basic Term of Lease or Extended Lease Term, whichever is applicable, of such Unit under this Lease would have terminated if an Event of Default hereunder had not occurred. For purposes hereof "present value" shall be determined by discounting rental payments by a six (6%) percent per annum discount rate computed at the same frequency as rental payments would have been made hereunder.

4.3.2 Sale. In the event that Lessor shall sell or otherwise dispose of (other than pursuant to a lease) any Unit, the proceeds shall be applied to the payment of (i) any and all expenses and fees (including reasonable attorneys' fees) incurred by Lessor in retaking possession of, and removing, storing and selling or otherwise disposing of such Unit, (ii) the costs and expenses incurred by Lessor in repairing the same, (iii) the Rental Payments accrued under this Lease but unpaid together with interest thereon at a rate equal to twelve percent (12%) per annum from the date such Rental Payments are due hereunder, to the time of such sale or other disposition, (iv) any and all other sums (other than Rental Payments) then owing to Lessor by Lessee hereunder and (v) the Stipulated Loss Value of the Equipment determined as of the date of such sale or other disposition in accordance with Exhibit I(A) and Exhibit I(B) attached hereto. The remaining balance of such proceeds, if any, shall be retained by Lessor. Lessee shall remain liable to Lessor to the extent that the aggregate amount of the sums referred to in clauses (i) through (v) above shall exceed the aggregate proceeds received by Lessor in connection with the sale or disposition of the Equipment.

V. RENEWAL OPTION: RETURN OF EQUIPMENT

5.1 Renewal Option. So long as this Lease has not been either earlier terminated or no Event or Default (or event which would constitute an Event of Default but for the lapse of time or the giving of notice or both) shall have occurred and be continuing, the Lessee shall have the option, exercisable on at least 180 days prior written notice to Lessor, to renew the lease term with respect to all, but not less than all (except for items that have been destroyed and for which Lessor has received payment of the Stipulated Loss Value with respect thereto) of the Equipment then subject to each rental schedule attached for three (3) successive additional terms (each of which being herein called "Renewal Term") of

two years each at a "Fair Market Rental" payable in quarterly payments in arrears, in each year of such renewal term. Except for the "Fair Market Rental" as determined below and the term of the lease as set forth herein. All of the terms and conditions set forth in this Lease shall apply during any extension.

Fair Market Rental shall be determined on the basis of, and shall be equal in amount to, the rental which would be obtainable in an arm's length transaction between an informed and willing lessee (other than a lessee currently in possession) and an informed and willing lessor under no compulsion to lease and, in such determination, costs of removal from the location of current use shall not be a deduction from such rental. If, after 20 days from the giving of notice by the Lessee of the Lessee's election to extend the term of this Lease, the Lessor and the Lessee are unable to agree upon a determination of the Fair Market Rental of the Units, such rental shall be determined in accordance with the foregoing definition by the following procedure: If either party to such determination shall have given written notice, which shall be given within twenty-five (25) days of the giving of notice by Lessee to extend, to the other requesting determination of such value by this appraisal procedure, the parties shall consult for the purpose of appointing a qualified independent appraiser by mutual agreement. If no such appraiser is so appointed within 10 days after such notice requesting determination is given, each party shall appoint an independent appraiser within 15 days after such notice is given, and the two appraisers so appointed shall within 25 days after such notice is given appoint a third independent appraiser. If no such third appraiser is appointed within 25 days

after such notice is given, either party may apply, to make such appointment, to the American Arbitration Association, and both parties shall be bound by any appointment so made. Any appraiser or appraisers appointed pursuant to the foregoing procedure shall be instructed to determine the Fair Market Rental of the Units subject to the proposed extended term within 70 days after his or their appointment. If the parties shall have appointed a single appraiser or if either party shall have failed to appoint an appraiser, the determination of Fair Market Rental of the single appraiser appointed shall be final. If three appraisers shall be appointed, the determination of the appraiser which differs most from the other two appraisers shall be excluded, the remaining two determinations shall be averaged and such latter average shall be final and binding upon the parties hereto as the Fair Market Rental. The appraisal proceedings shall be conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association as in effect on the date hereof, except as modified hereby. The provisions for this appraisal procedure shall be the exclusive means of determining Fair Market Rental and shall be in lieu of any judicial or other procedure for the determination thereof, and each party hereto hereby consents and agrees not to assert any judicial or other procedures. The expenses of the appraisal shall be borne by the Lessee.

5.2 Purchase Option. So long as this Lease has not been either earlier terminated or no Event of Default (or event which would constitute an Event of Default but for the lapse of time or the giving of notice or both) shall have occurred and be continuing, the Lessee, by written notice delivered to the Lessor not less than six months prior to the end of the Base Term of Lease or extension of the Base Term of Lease may elect to purchase all but not fewer than all of the Units then covered by this Lease, AS IS, WHERE IS, at "Fair Market Value".

Fair Market Value shall be determined on the basis of, and shall be equal to, the sales price which would be obtainable in an arm's length transaction between an informed and willing seller under no compulsion to sell, and, in such determination, costs of removal from the location of current use shall not be a deduction from such price. The mechanics for determining fair market value shall be the same as those set forth in Section 5.1 hereof for the determination of fair market rental value.

5.3 Return of Equipment. As soon as practicable on or after the expiration of this Lease, other than pursuant to Article IV hereof, Lessee will, at its own risk and expense, at the request of Lessor, deliver the Units to Lessor upon such storage tracks of Lessee as Lessor may reasonably designate, or in the absence of such designation, as Lessee may select, and store the Units without charge on such tracks for a period not exceeding 180 days and cause the same to be delivered, and from time to time relocated, at any time with such 180-day period, to any reasonable place on Lessee's tracks directed by Lessor. The Units shall be returned in the condition in which they are required to be maintained by Lessee under Section 3.3 hereof, shall be maintained by Lessee, at its own cost and expense, in such condition during the period of storage provided for in this Section 5.3, shall be insured by Lessee at its own cost and expense during the period of storage in accordance with Section 3.6 hereof; and at the time of such return and during such period of storage shall be kept free and clear of all liens, charges, security interest and encumbrances in accordance with Section 3.9 hereof. The movement and storage of the Units shall be at the expense and risk of Lessee. During any such storage period, Lessor or any person designated by it, including the authorized representative or representatives of any prospective purchaser or lessee of the Units, may inspect the same; provided, however, that Lessee shall not be liable, except in

VI.

6.1 Recording. Lessee, at its own expense, will cause

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as provided for in Section 2.2.9 hereof, required by law or reasonably requested by Lessor for the purpose of proper protection, to its satisfaction, of Lessor's interests in the Units, or for the purpose of carrying out the intention of and its rights under this Lease; and Lessee will promptly furnish to Lessor evidence of all such filing, registering, depositing and recording and an opinion of counsel for Lessee with respect thereto satisfactory to Lessor. This Lease shall be filed and recorded with the Interstate Commerce Commission prior to the intended Delivery Date of any Unit.

6.2 Performance of Lessee's Obligations. If Lessee shall fail to make payment or perform any act required by this Lease, Lessor may, but shall not be obligated to, make such payment or perform such act for the account of and at the expense of Lessee, without notice to or demand upon Lessee and without waiving or releasing any obligation or default. Lessee shall indemnify and hold harmless Lessor from and against all losses and expenses (including, but not limited to, the fees of Lessor's counsel) suffered or incurred by Lessor by reason of any acts performed by Lessor pursuant to this Section 6.2; and Lessee shall pay to Lessor, upon demand, all sums expended by Lessor pursuant to this Section 6.2 or with respect to which it shall be entitled to be indemnified, plus interest thereon, at the rate of twelve percent (12%) per annum, from the date on which such sums are expended by Lessor to the date on which Lessee pays the same to Lessor.

6.3 Further Assurances. Lessee agrees that at any time and from time to time, after the execution and delivery of this Lease, it shall, upon request of Lessor, execute and deliver such further documents and do such further acts and things as Lessor may reasonably request in order fully to effect the purposes of this Lease, including but not limited to, any and all information necessary to enable Lessor to properly complete and file tax returns for any and

all states or political subdivisions thereof.

6.4 Federal Income Tax Indemnification.

(a) The Lease is being entered into by the Lessor on the assumptions that (A) the Lessor will be entitled to such deductions, credits and other benefits as are provided by the Internal Revenue Code of 1954, as amended to the date hereof (hereinafter called the "Code"), to an owner and lessor of such property, including, without limitation (1) the maximum depreciation deduction allowable with respect to the Equipment authorized under Section 167 of the Code (hereinafter called the "Depreciation Deduction"), (a) utilizing a 11-year depreciable life, which is the lower limit listed in Revenue Procedure 77-10, 1977-12 I.R.B. 4, for property in Asset Guideline Class No. 40.1, in accordance with the Class Life Asset Depreciation Range System described in Section 167(m) of the Code and the regulations promulgated thereunder as in effect on the date hereof (the "ADR Regulations"), (b) employing initially the 200% declining-balance method of depreciation with a change, not requiring the consent of the Commissioner of Internal Revenue, to the sum of the years-digits' method of depreciation when most beneficial to the Lessor, (c) utilizing the half-year convention, (d) including in the basis of the Equipment an amount that is not less than the Original Cost (hereinafter called the "Basis"), and (e) taking into account a salvage value, after the reduction allowed by Section 167(f) of the Code, of zero; (2) an investment credit that is not less than 10% of the Basis of the Equipment (hereinafter called the "Investment Credit"), pursuant to Section 38 and related sections of the Code; (B) the Lessor will be entitled to treat each item of income and deduction as being attributable to sources within the United States (hereinafter called "U.S. Source Items"); and (C) the Lessor will realize no gross income from the Lease of the Equipment to the Lessee during the term of the Lease, except amounts payable to the Lessor under said Lease (unless offset by a corresponding deduction in the same

taxable year (hereinafter called "Items of Non-Inclusion").

The Lessee agrees and represents that neither it nor any corporation controlled by it, in control of it, or under common control with it, directly or indirectly, will at any time take any action or file any returns or other documents inconsistent with the foregoing, and that each such corporation will file such returns, take such action and execute such documents as may be reasonable and necessary to facilitate accomplishment of the intent hereof. The Lessee will keep and make available for inspection and copying upon reasonable demand by the Lessor such records as will enable the Lessor to determine whether it is entitled (A) to the full benefit of the Depreciation Deduction, the Investment Credit and the Items of Non-Inclusion, and (B) to treat items of income and deduction as being U.S. Source Items.

(b) The Lessee represents and warrants as follows:

(i) each Item of Equipment will, at the time it is purchased by the Lessor under the terms of this Lease, consist only of new tangible personal property, within the meaning of Section 167 of the Code and shall constitute "new Section 38 property" within the meaning of Section 48(b) of the Code, and at all times during the term of the Lease the Equipment will constitute "Section 38 property" within the meaning of Section 48(a) of the Code;

(ii) the Equipment shall not have been placed in service, within the meaning of Section 1.167(a)-11(e)(1)(i) of the ADR Regulations, by the Lessee or any other person prior to its delivery to the Lessor and the original use of each Unit of Equipment, within the meaning of Section 1.167(c)-1(a)(2) of the regulations, shall not have commenced prior to the delivery of the Equipment to the Lessor.

(iii) all information supplied by the Lessee in writing to the Lessor, or any independent appraiser or engineer with respect to the

description, nature, function, testing and cost of the Equipment, including, but not limited to, facts relating to its intended use, economic life and residual value, was, to the best knowledge of the Lessee, complete and accurate at the time given.

(c) If as the direct or indirect result of (A) a breach by the Lessee or any affiliate, agent or employee of the Lessee of any representation, warranty, covenant or agreement made by the Lessee in clause (i), (ii), or (iii) of subparagraph (b) above, (B) any action (including the use or location of any Unit outside the United States) or a failure to take any action by the Lessee or any affiliate, agent or employee of the Lessee, (C) any incomplete, incorrect or inaccurate information being furnished by the Lessee or any affiliate, agent or employee of the Lessee, including but not limited to any misstatement, omission of information, or defect of any written statement, opinion, report or appraisal furnished by the Lessee or an employee or agent of the Lessee to the Lessor or the Internal Revenue Service with respect to the nature, function, cost, useful life, residual value or actual or intended use of the Equipment, or (D) any fact with respect to the nature, function, cost, useful life, residual value or intended use of the Equipment stated or represented by the Lessee, or any affiliate, agent or employee of the Lessee as a fact and not an opinion or estimate, being determined to be incorrect or untrue by the Lessor or the Internal Revenue Service, the Lessor shall not have, or shall lose the right to claim, or shall suffer a disallowance of, or shall be required to recapture (any such event being hereinafter called a "Loss"), all or any portion of the Investment Credit, or the Depreciation Deduction or any item of income or deduction shall not be treated as a U.S. Source Item, or the Lessor shall be required to take into income any Items of Non-Inclusion (a Loss, the failure of any item of income or deduction to be treated as a U.S. Source Item

or the inclusion in income of an Item of Non-Inclusion is hereinafter called a "Loss of Benefits"), then in any such case the Lessee shall pay to the Lessor on each Base Rental Payment date specified under the Lease on and after written notice to the Lessee by the Lessor that there has been a Loss of Benefit by the Lessor, such additional amount, as in the reasonable opinion of the Lessor, will cause the net after-tax yield and after-tax cash flow of the Lessor under the Lease to equal the net after-tax yield and after-tax cash flow (computed on the same assumptions as utilized by the Lessor in originally evaluating this transaction) that would have been available if there had been no Loss of Benefit and the Lessee shall forthwith pay to the Lessor the amount of any interest or penalty or interest and penalty which may be assessed (or which would have been assessed if there had been no other items involved in the proceedings or determinations in which the Loss of Benefits occurred) by the United States against the Lessor attributable to the Loss of Benefits; provided, however, that such additional amounts and the amount of any interest or penalty or interest and penalty will not be paid to the extent that there shall have been a Loss of Benefits as a direct or indirect result of the occurrence of any one or more of the following events: (i) a disqualifying disposition due to the sale of any Unit or a sale of the Lease thereof by the Lessor, provided an Event of Default shall not have occurred and be continuing more than five (5) days after written notice from the Lessor to the Lessee of an intended disposition, or (ii) a failure of the Lessor to timely or properly claim the Investment Credit or Depreciation Deduction in the Federal tax return of the Lessor, or (iii) a disqualifying change in the nature of the Lessor's business or the liquidation thereof, or (iv) a foreclosure by any person holding through the Lessor of a lien on any Unit, which foreclosure is not the result of an Event of Default under the Lease, or (v) any event which by the terms of the Lease requires payment

by the Lessee of the Stipulated Loss Value and said Value is thereafter actually paid by the Lessee, to the extent that the amount of such payment takes into account the Loss of Benefits which would be indemnifiable by the Lessee pursuant to this Section 6.4, or (vi) the failure of the Lessor to have sufficient liability for tax against which to apply such Depreciation Deduction or Investment Credit.

(d) In the event the Lessee is required to pay to the Lessor additional amounts under this Section 6.4, the Lessee shall also pay to the Lessor on the date of payment of any Stipulated Value set forth in Section 3.5.2 of the Lease such amounts (if any) as may be necessary to provide the Lessor with the same after-tax yield and after-tax cash flow as it would have received if there had been no Loss of Benefits or Additional Expenditure giving rise to an indemnity under this Section 6.4.

(e) In the event and to the extent that the cost of any improvement and/or addition to any Unit or any expenditure by the Lessee in respect of any Unit or the Lease made by the Lessee under and pursuant to the terms of the Lease or otherwise, is required to be included in the gross income of the Lessor for Federal income tax purposes at any time prior to the time such Unit is disposed of in a taxable transaction (hereinafter called "Additional Expenditures"), then the Lessee shall pay to the Lessor on the next and each succeeding Base Rental Payment date after the date on which the Lessee is required to furnish written notice thereof to the Lessor pursuant to subparagraph (f) below after said inclusion in the Lessor's gross income is required, such amount or amounts as shall, in the reasonable opinion of the Lessor, after taking into account any present or future tax benefits that the Lessor reasonably anticipates it will derive from its additional investment in the Equipment by reason of said inclusion (including without limitation any current deductions, future depreciation deductions

and investment tax credit), cause the Lessor's net after-tax yield and after-tax cash flow under the Lease (calculated on the same basis as used by the Lessor in originally evaluating this transaction) to equal the net after-tax yield and after-tax cash flow that would have been realized by the Lessor if the cost of such Additional Expenditures had not been includible in the Lessor's gross income.

(f) The Lessee agrees that, within 30 days after the close of any calendar year, or in the event the Lessor gives the Lessee written notice that the Lessor's taxable year closes on a date specified therein other than December 31, within 30 days after said date (said year hereinafter called the "Lessor's Taxable Year") in which a capital expenditure is made with respect to any Unit which would constitute an Additional Expenditure if such capital expenditure were required to be included in the gross income of the Lessor for Federal income tax purposes, the Lessee will give written notice thereof to the Lessor describing such Additional Expenditures in reasonable detail and specifying the cost thereof with respect to each Unit. In addition, the Lessee shall, within 60 days after the close of the Lessor's Taxable Year within which any Unit has been located outside the United States for more than a de minimus period, or within 60 days after receipt by the Lessee of a written request by the Lessor for information regarding the location of any Unit during any periods falling within the term of the Lease, provide the Lessor with a written statement setting forth the number of days, and the countries in which, during said Taxable Year or periods any such Unit was located outside the United States and the countries during said days.

(g) In the event that the Lessor shall suffer a Loss of Benefits the Lessor will take such action in contesting any claim upon which the Loss of Benefits or the inclusion of the cost of such Additional Expenditures is based as the Lessee shall reasonably request from time to time; provided, however,

that (i) the Lessee shall notify the Lessor within 30 days after notice by the Lessor to the Lessee of such claim that the Lessee requests that such claim be contested, (ii) the Lessor, at its sole option, may forego any and all administrative appeals, proceedings, hearings, and conferences with the Internal Revenue Service in respect of contesting such claim and may, at its sole option, either pay the tax claimed and sue for a refund in the appropriate United States District Court or in the United States Court of Claims, as the Lessor shall elect, or contest such claim in the United States Tax Court, considering, however, in good faith such request as the Lessee shall make concerning the most appropriate forum in which to proceed, (iii) the Lessee shall furnish the Lessor with an opinion of independent tax counsel satisfactory to Lessor, to the effect that a meritorious defense exists to such claim, (iv) the Lessee shall agree to pay and shall indemnify the Lessor in a manner satisfactory to the Lessor against any liability or loss which the Lessor may incur in connection with contesting such claim, including, without limitation (A) reasonable attorneys' and accountants' fees and disbursements, and (B) the amount of interest, penalty and other sums which may ultimately be payable as the result of contesting or seeking the modification of such claim, and (v) the Lessee shall furnish reasonable security for such indemnification as may be requested. In the case of any such claim, the Lessor agrees to notify the Lessee in writing of such claim and agrees not to make payment of the tax claimed for at least 30 days after the giving of such notice and agrees to cooperate with the Lessee in order to contest effectively or obtain the modification of any such claim. Anything herein to the contrary notwithstanding, the Lessor shall have no obligation to contest any proposed deficiency under this subparagraph (g) if the Lessor waives in writing its right to indemnification with respect to the Loss of Benefits or inclusion in income of Additional Expenditures which it otherwise is required to contest.

6.5 Rights, Remedies, Powers. Each and every right, remedy and power granted to Lessor hereunder shall not be exclusive but shall be cumulative and in addition to any other right, remedy or power herein specifically granted or now or hereafter existing in equity, at law, by virtue of statute or otherwise and may be exercised by Lessor from time to time concurrently or independently and as often and in such order as Lessor may deem expedient. Except as otherwise provided in this Lease, Lessee, to the full extent permitted by law, hereby waives all statutory or other legal requirements for any notice of any kind, notice of intention to take possession of or to sell or lease the Equipment, or any one or more units thereof, and any other requirements as to the time, place or terms of the sale or lease thereof, any other requirement with respect to the enforcement of Lessor's right and any and all right of redemption. Any failure or delay on the part of Lessor in exercising any such right, remedy or power, or abandonment or discontinuance of steps to enforce the same, shall not operate as a waiver thereof or affect Lessor's right thereafter to exercise the same, and any single or partial exercise of any such right, remedy or power shall not preclude any other or further exercise thereof or the exercise of any other right, remedy or power. In the event Lessor shall have proceeded to enforce any such right, remedy or power and such proceeding shall have been determined adversely to Lessor or shall have failed of its essential purpose, then in such event Lessee and Lessor shall be restored to their former positions and the rights, remedies and powers of Lessor shall continue as if no such proceeding has been taken.

6.6 Modification, Waiver, Consent. Any modification, amendment or waiver of any provision of this Lease, or any consent to any departure by Lessee therefrom, shall not be effective in any event unless the same is in writing and signed by Lessor, and then such modification, waiver or consent shall be effective only in the specific instance and for the specific purpose given. Any notice to or demand on Lessee in any event not specifically required of Lessor hereunder shall not entitle Lessee to any other or further notice or demand in the same, similar or other circumstances unless specifically required hereunder.

6.7 Communications. Any notice, request, demand, consent, approval or other communication provided or permitted hereunder shall be in writing and be given by personal delivery or sent by United States first class mail, Certified Mail,

Return Receipt Requested, postage prepaid, addressed as follows:

(a) if to Lessor: MTV Leasing Corporation
226 North 6th Street
P.O. Box 857
Reading, Pennsylvania 19603

Attention: John M. Jacquemin, President

(b) if to Lessee: Consolidated Rail Corporation
Room 1310, Six Penn Center
Philadelphia, Pennsylvania 19104

Attention: Vice President & Treasurer

provided, however, that either party may change its address for purposes of receipt of any such communication by giving ten (10) days' written notice of such changes to the other party in the manner above prescribed.

6.8 Section Headings, etc. Section headings are inserted for convenience only and shall not affect any construction or interpretation of this Lease. All references herein to sections, paragraphs, clauses and other subdivisions refer to the corresponding sections, paragraphs, clauses and other subdivisions of this Lease; and the words "herein", and "hereof", "hereby", "hereunder", and words or similar import refer to this Lease as a whole and not to any particular section, paragraph, clause or other subdivision hereof.

6.9 Governing Law. This Lease shall be deemed to have been made under and shall be governed by, the laws of the Commonwealth of Pennsylvania in all respects, including matters of construction, validity and performance.

6.10 Holiday Payments. If any payment to be made by Lessee shall become due on a Saturday, Sunday or business holiday under the laws of the Commonwealth of Pennsylvania, such payments shall be made on the next succeeding business day.

6.11 Severability. If any provision of this Lease is prohibited by, or is unlawful or unenforceable under, any applicable law of any jurisdiction, such provision shall, as to such jurisdiction, be ineffective to the extent of such prohibition without invalidating the remaining provisions hereof; provided, however, that any such prohibition in any jurisdiction shall not invalidate such provision in any other jurisdiction; and provided further, that where the provisions of any such applicable law may be waived, they hereby are waived by Lessee to the full extent permitted by law to the end that this Lease shall be deemed to be a valid and binding agreement in accordance with its terms.

6.12 Lessor' Assignment. Lessor, or any assignee of Lessor, may at any time, without notice to or consent by Lessee, sell, assign, transfer or mortgage or otherwise encumber its interest under this Lease or in the Equipment, in whole or in part, subject to the terms of this Lease and the rights of Lessee hereunder, and upon receipt of written notice of any such assignment, Lessee shall recognize such assignments subject to the rights of Lessee against Lessor hereunder, No assignment or reassignment shall release Lessor from its obligations to Lessee under this Lease. Lessor agrees to deliver to Lessee a copy of each agreement evidencing any such sale, assignment, transfer, mortgage or other encumbrance, or the portion thereof which effects compliance with the provisions of this Section 6.12, as soon as practicable after the execution and delivery thereof. Lessee acknowledges that THE OHIO NATIONAL LIFE INSURANCE COMPANY ("Lender") is simultaneously with the execution and delivery of this Lease receiving from Lessor an assignment of all of Lessor's right, title and interest (but none of its obligations) in and to this Lease.

6.13 Entire Agreement. This Lease together with all Rental Schedules and Exhibits attached hereto contain the entire agreement between Lessor and Lessee with respect to the subject matter hereof and supercedes and cancels any prior understandings and agreements between Lessor and Lessee with respect thereof.

6.14 Binding Effect. This Lease, subject to the provisions of Section 3.9 hereof, shall be binding upon and shall inure to the benefit of the respective successors and assigns of Lessee and Lessor.

6.15 Counterparts. This Lease may be executed in counterparts, and each such counterpart shall, for all purposes, constitute one agreement binding on the parties hereto, notwithstanding that both parties are not signatory in the same counterpart.

6.16 Survival. The representations, warranties, covenants, indemnities and agreements of the Lessee provided for in this Lease, and the Lessee's obligations under any and all thereof, shall survive the delivery of the Equipment and, the expiration or other termination of this Lease.

IN WITNESS WHEREOF, Lessor and Lessee have executed this
EQUIPMENT LEASE AGREEMENT.

ATTEST:
(CORPORATE SEAL)

Secretary

ATTEST:
(CORPORATE SEAL)

Assistant Secretary

MTV LEASING CORPORATION
(Lessor)

By: _____
President

CONSOLIDATED RAIL CORPORATION
(Lessee)

By: _____

COMMONWEALTH OF PENNSYLVANIA :

ss:

COUNTY OF _____

On this _____ day of _____, 1979, before me personally appeared JOHN M. JACQUEMIN, to me personally known, who, being by me duly sworn, says that he is PRESIDENT of MTV LEASING CORPORATION that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

(Notarial Seal)

Notary Public

My Commission expires::

COMMONWEALTH OF PENNSYLVANIA :

ss:

COUNTY OF _____

On this _____ day of _____, 1979, before me personally appeared _____, to me personally known, who, being by me duly sworn, says that he is _____ of CONSOLIDATED RAIL CORPORATION that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of any foregoing instrument was the free act and deed of said corporation.

(Notarial Seal)

Notary Public

My Commission expires:

EXHIBIT I (A)
to
Equipment Lease No. MTV-052 dated as of August 15, 1979
between

MTV LEASING CORPORATION (Lessor)
and
CONSOLIDATED RAIL CORPORATION (Lessee)

STIPULATED LOSS VALUES

The Stipulated Loss Value of a Unit of the Equipment covered by Rental Schedule A attached to the Lease Agreement identified above, as of any date, shall be an amount equal to the product of (i) the Acquisition Cost of such Unit (as specified in Rental Schedule A) and (ii) the percentage indicated below opposite the number of the next succeeding Base Rental Payment.

<u>Base Rental Payment Number</u>	<u>Percentage</u>	<u>Base Rental Payment Number</u>	<u>Percentage</u>
1	101.77	29	56.79
2	102.08	30	55.06
3	102.33	31	53.28
4	102.43	32	51.45
5	102.41	33	49.57
6	102.28	34	47.64
7	102.08	35	45.65
8	101.75	36	43.78
9	101.32	37	42.03
10	100.79	38	40.24
11	100.20	39	38.41
12	99.50	40	36.55
13	91.81	41	34.65
14	90.94	42	32.71
15	90.01	43	30.73
16	88.99	44	28.71
17	87.89	45	26.65
18	86.71	46	24.54
19	85.48	47	22.41
20	84.18	48	20.00
21	75.93		
22	74.54		
23	73.12		
24	71.65		
25	70.15		
26	68.60		
27	67.01		
28	65.37		

EXHIBIT I (B)
to
Equipment Lease No. MTV-052 dated as of August 15, 1979
between

MTV LEASING CORPORATION (Lessor)
and
CONSOLIDATED RAIL CORPORATION (Lessee)

STIPULATED LOSS VALUES

The Stipulated Loss Value of a Unit of the Equipment covered by Rental Schedule B attached to the Lease Agreement identified above, as of any date, shall be an amount equal to the product of (i) the Acquisition Cost of such Unit (as specified in Rental Schedule B) and (ii) the percentage indicated below opposite the number of the next succeeding Base Rental Payment.

<u>Base Rental Payment Number</u>	<u>Percentage</u>
1	101.57
2	101.32
3	100.90
4	100.12
5	99.04
6	97.65
7	96.12
8	94.35
9	92.37
10	90.17
11	87.87
12	85.43
13	75.95
14	73.24
15	70.44
16	67.59
17	64.67
18	61.68
19	58.65
20	55.95
21	46.48
22	43.85
23	41.20
24	38.50
25	35.75
26	32.96
27	30.16
28	26.90

RENTAL SCHEDULE NO. A to be attached to Equipment Lease No. MTV-052 dated August 15, 1979, (the "Lease") by and between the undersigned. Lessee hereby (a) authorizes Lessor to order for lease to Lessee the equipment described herein (the "Equipment") and to insert hereon the Lease Commencement Date and the partial first period's rent (if any) for such Equipment upon Lessee's acceptance of same for lease, (b) agrees to lease such Equipment from Lessor effective the Lease Commencement Date thereof and for the lease term specified below, and (c) agrees to pay Lessor the rent, in the amounts and at the times specified below, for each item of Equipment. All of the terms used herein which are defined in the Lease shall have the same meaning as so defined.

<u>DESCRIPTION</u>	<u>MODEL NO.</u>	<u>SERIAL NO.</u>	<u>ACQUISITION COST</u>
2 Locomotive Cranes 30 Ton with Magnet Generator and Magnet - Model 5030-DE		CL3043 CL3044	\$282,630.00 each

Total Acquisition Cost \$565,260.00

This Rental Schedule is for a term of 12 years and the Lease Commencement Date is the first day of the month following the date on which the vendor is paid for the equipment. The Base Rental Payment of \$16,604.51 is payable quarterly in arrears for 48 quarters beginning on the last day of the first quarter of the Base Term of Lease.

Location of Equipment: _____

Name and address of Vendor of Equipment: Eastern Railway Supplies, 28 Main Street, Kingston, New Jersey 08528.

MTV LEASING CORPORATION (LESSOR)

CONSOLIDATED RAIL CORPORATION (LESSEE)

By _____

By _____

Its President
(title)

Its
(title)

Date _____

Date _____

RENTAL SCHEDULE NO. B to be attached to Equipment Lease No. MTV-052 dated August 15, 1979, (the "Lease") by and between the undersigned. Lessee hereby (a) authorizes Lessor to order for lease to Lessee the equipment described herein (the "Equipment") and to insert hereon the Lease Commencement Date and the partial first period's rent (if any) for such Equipment upon Lessee's acceptance of same for lease, (b) agrees to lease such Equipment from Lessor effective the Lease Commencement Date thereof and for the lease term specified below, and (c) agrees to pay Lessor the rent, in the amounts and at the times specified below, for each item of Equipment. All of the terms used herein which are defined in the Lease shall have the same meaning as so defined.

<u>DESCRIPTION</u>	<u>MODEL NO.</u>	<u>SERIAL NO.</u>	<u>ACQUISITION COST</u>
(35) Backhoe/Loader J.I. Case Model 580C - CK with 1 yard 80" bucket, 11 L-16 Tires 10 ply Front, 17.5 x 24 Tires 6 ply Rear		EF5582- EF5616 Inclusive	\$22,621.00 each

Total Acquisition Cost \$791,735.00

This Rental Schedule is for a term of 7 years and the Lease Commencement Date is the first day of the month following the date on which the vendor is paid for the equipment. The Base Rental Payment of \$32,727.40 is payable quarterly in arrears for 28 quarters beginning on the last day of the first quarter of the Base Term of Lease.

Location of Equipment: _____

Name and address of Vendor of Equipment: J.I. CASE COMPANY, 700 State Street, Racine, Wisconsin 53404.

MTV LEASING CORPORATION (LESSOR)

CONSOLIDATED RAIL CORPORATION (LESSEE)

By _____

By _____

Its President
(title)

Its _____
(title)

Date _____

Date _____

SCHEDULE C

Reference is made to the Equipment Lease Agreement dated as of August 15, 1979 between MTV LEASING CORPORATION, as Lessor, and CONSOLIDATED RAIL CORPORATION, as Lessee. The terms used herein shall have the same meaning as such terms have in such Equipment Lease Agreement.

The Lessee hereby certifies that the following Units have been accepted by Lessee for leasing under the Lease, that such Units have become subject to and governed by the provisions of the Lease, and that Lessee is obligated to pay the rentals and all other sums provided for in the Lease with respect to such Units.

<u>Description of Units</u>	<u>Conrail Identifying Numbers</u>	<u>Manufacturers Serial Numbers</u>	<u>Unit Purchase Price</u>
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The Delivery Date in respect of such Units is _____, 1979.

IN WITNESS WHEREOF, the undersigned has executed this Acceptance Supplement as of the Delivery Date set forth above.

CONSOLIDATED RAIL CORPORATION

By _____

Title _____

PROMISSORY NOTE
(NON-RECOURSE)

\$ 423,945

Reading, Pa.
, 1979

MTV LEASING CORPORATION ("Maker"), a Pennsylvania corporation, for value received, hereby promises to pay to the order of THE OHIO NATIONAL LIFE INSURANCE COMPANY ("Investor") at its principal office at 237 William Howard Taft Road, Cincinnati, Ohio 45219 or at such other place in the United States as the holder hereof may from time to time designate in writing to the Maker, the principal sum of Four hundred twenty-three thousand nine hundred forty-five dollars, together with interest thereon at the rate of 11 1/2% per annum, in one payment on September 1, 1979 in the amount of interest accrued for each day from and including the date hereof through August 31, 1979, followed by 47 consecutive equal quarterly installments of \$16,393.82, beginning on December 1, 1979 and continuing on the same day of each quarter thereafter to and including June 1, 1991, and a final payment on September 1, 1991 in the amount of the unpaid balance of such principal sum and interest accrued thereon.

This Note is secured under and is subject to the terms of a security agreement between Maker and Investor dated as of August 15, 1979 ("Security Agreement") which assigns and grants to Investor a security interest in that certain lease (the "Lease") under which CONSOLIDATED RAIL CORPORATION is Lessee and Maker is lessor made as of August 15, 1979 and in items of maintenance of way equipment which are the subject of such Lease. Reference is hereby made to the Security Agreement for the terms on which this Note is secured and payable. Presentment, notice of dishonor and protest are hereby waived by Maker.

All sums received by Maker or by Investor as assignee pursuant to Section 3.5 of the Lease, as well as the net proceeds received upon any sale or disposition of any of the equipment in respect of which this Note was issued, shall be applied immediately upon receipt to the prepayment of this Note in accordance with the provisions of the Security Agreement. In the event of any prepayment of this Note pursuant to the provisions of this paragraph, the amount of the installments thereafter coming due hereunder shall be reduced by an amount which bears the same proportion to the installments which would have been due hereunder, except for such prepayment, as the proportion of the principal amount so prepaid bears to the total remaining principal balance hereof due and owing immediately prior to such prepayment. Except as hereinabove provided, this Note shall not be prepayable in whole or in part.

For recovery upon default by Maker in the payment of amounts due hereunder, the holder hereof shall have resort solely to the "income and proceeds from the Equipment" (as defined in the Security Agreement) and not to any other of Maker's property.

Nothing herein shall restrict the holder hereof from instituting a suit or obtaining a judgment against Maker or from exercising any other right or remedy under the Security Agreement, provided however, any judgment entered in any action for recovery of amounts due hereunder against Maker shall not be a lien against any other property of Maker, and such holder shall execute and deliver all documents and take all such other action as may be necessary to release of record from any such lien such other property of Maker.

The terms of this Note and all such rights and obligations hereunder shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

EXECUTED and delivered the date first above written.

Attest:

(CORPORATE SEAL)

MTV LEASING CORPORATION

By _____

Title _____
President

Secretary

PROMISSORY NOTE
(NON-RECOURSE)

\$ 593,801

Reading, Pa.
, 1979

MTV LEASING CORPORATION ("Maker"), a Pennsylvania corporation, for value received, hereby promises to pay to the order of THE OHIO NATIONAL LIFE INSURANCE COMPANY ("Investor") at its principal office at 237 William Howard Taft Road, Cincinnati, Ohio 45219 or at such other place in the United States as the holder hereof may from time to time designate in writing to the Maker, the principal sum of Five hundred ninety-three thousand eight hundred and one dollars, together with interest thereon at the rate of 11 1/2% per annum, in one payment on , 1979 in the amount of interest accrued for each day from and including the date hereof through , 1979, followed by 27 consecutive equal quarterly installments of \$31,163.88, beginning on 1979 and continuing on the same day of each quarter thereafter to and including 1986, and a final payment on 1986 in the amount of the unpaid balance of such principal sum and interest accrued thereon.

This Note is secured under and is subject to the terms of a security agreement between Maker and Investor dated as of August 15, 1979 ("Security Agreement") which assigns and grants to Investor a security interest in that certain lease (the "Lease") under which CONSOLIDATED RAIL CORPORATION is Lessee and Maker is lessor made as of August 15, 1979 and in items of maintenance of way equipment which are the subject of such Lease. Reference is hereby made to the Security Agreement for the terms on which this Note is secured and payable. Presentment, notice of dishonor and protest are hereby waived by Maker.

All sums received by Maker or by Investor as assignee pursuant to Section 3.5 of the Lease, as well as the net proceeds received upon any sale or disposition of any of the equipment in respect of which this Note was issued, shall be applied immediately upon receipt to the prepayment of this Note in accordance with the provisions of the Security Agreement. In the event of any prepayment of this Note pursuant to the provisions of this paragraph, the amount of the installments thereafter coming due hereunder shall be reduced by an amount which bears the same proportion to the installments which would have been due hereunder, except for such prepayment, as the proportion of the principal amount so prepaid bears to the total remaining principal balance hereof due and owing immediately prior to such prepayment. Except as hereinabove provided, this Note shall not be prepayable in whole or in part.

For recovery upon default by Maker in the payment of amounts due hereunder, the holder hereof shall have resort solely to the "income and proceeds from the Equipment" (as defined in the Security Agreement) and not to any other of Maker's property.

Nothing herein shall restrict the holder hereof from instituting a suit or obtaining a judgment against Maker or from exercising any other right or remedy under the Security Agreement, provided however, any judgment entered in any action for recovery of amounts due hereunder against Maker shall not be a lien against any other property of Maker, and such holder shall execute and deliver all documents and take all such other action as may be necessary to release of record from any such lien such other property of Maker.

The terms of this Note and all such rights and obligations hereunder shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

EXECUTED and delivered the date first above written.

Attest:

(CORPORATE SEAL)

MTV LEASING CORPORATION

By _____

Title _____
President

Secretary

SECURITY AGREEMENT
between
MTV LEASING CORPORATION
and
THE OHIO NATIONAL LIFE INSURANCE COMPANY

Dated as of August 15, 1979

Filed and recorded with the Interstate Commerce Commission pursuant to
49 U.S.C. 11303 on _____, recordation number _____.

SECURITY AGREEMENT

THIS SECURITY AGREEMENT made as of August 15, 1979 between MTV LEASING CORPORATION, a Pennsylvania corporation with its only place of business at 226 North 6th Street, P.O. Box 857, Reading, Pa. 19603 (the "Debtor"), and THE OHIO NATIONAL LIFE INSURANCE COMPANY, an Ohio corporation with an office at William Howard Taft Road, at Highland Avenue, P.O. Box 237, Cincinnati, Ohio 45201 (the "Lender").

To secure the payment of the Debtor's promissory notes (the "Notes") payable to the order of the Lender in the aggregate principal amount of \$1,017,746 (said Notes having been issued pursuant to the terms of a Participation Agreement ("Participation Agreement") among the Debtor, the Lender and the Lessee hereinafter named, dated the date hereof), and any other promissory notes issued in replacement, substitution or extension thereof, and to further secure Debtor's obligations hereunder and under the Participation Agreement, Debtor hereby assigns, transfers, mortgages and pledges to Lender, and grants to Lender a security interest in the following and in all proceeds thereof ("Collateral"):

1. All of the Debtor's right, title and interest in the Equipment Lease Agreement dated August 15, 1979, (the "Lease") in which CONSOLIDATED RAIL CORPORATION is lessee ("Lessee") and Debtor is lessor and all rentals and other moneys payable thereunder or receivable by the Debtor under or in connection therewith, including all proceeds of insurance, condemnation and requisition proceedings, and sales or other dispositions of the property subject thereto, and all the Debtor's rights, powers and remedies herein and thereunder (but none of its duties or obligations thereunder, if any), including all the Debtor's rights to give and receive any notice, consent, waiver, demand or approval under or in respect of such Lease, to exercise any election or option thereunder or in respect thereof, to accept any surrender of the property subject to the Lease, to execute and deliver any bill of sale for any such property, and to do all other things which the Debtor is entitled to do under such Lease; and
2. Subject to the rights of the Lessee under the Lease, all the equipment which may at any time be leased to the Lessee pursuant to the Lease (the "Equipment"), all the Debtor's right, title and interest in the Equipment and in all parts, fittings, accessories, accessions, substitutions and replacements therefor or thereof and all contract rights, chattel paper, accounts, rentals, fees, income and proceeds arising therefrom or in connection with the use thereof.
3. All of Debtor's rights and interest (but none of its duties or obligations) under a certain Purchase Agreement Assignment relating to the Equipment, dated the date hereof from the Lessee to the Debtor.

In furtherance of the foregoing, Debtor has executed a Lease Assignment ("Assignment") dated the date hereof and annexed hereto as Exhibit A, and, the Debtor hereby irrevocably constitutes and appoints Lender as its attorney-in-fact, with full power of substitution and revocation, in the name of the Debtor or otherwise to demand, enforce, collect, receive and receipt and give releases for any payment or indemnity becoming due or arising under the Lease or any policy of insurance relating to the Equipment or any Collateral (including any return of insurance premiums), to endorse and collect any checks, drafts or other instruments payable to the Debtor therefor, and to do and take all such other actions as are referred to above relating to the Lease, the Equipment or other Collateral, to file any claims or institute any proceeding for the foregoing which Lender deems necessary, and to compromise any such demand, claim or action. Notwithstanding the foregoing, the Lender hereby agrees with the Debtor that the Lender will not, so long as no Event of Default under the Lease or this Agreement shall have occurred and is continuing, without the prior written consent of the Debtor, seek to avail itself of or to enforce any of the rights, powers, privileges, authorizations or benefits hereinabove granted. In the event of any such exercise in accordance with the foregoing, the Debtor hereby consents to the granting by Lender as assignee and secured party hereunder of indulgences to Lessee or extensions of time for payment of any obligations of Lessee under the Lease, Lender's taking or releasing of any security for the obligations of the Lessee under the Lease, Lender's acceptance of partial payments on the Lease or the settlement, compromise or compounding of any obligations of any person, primarily or secondarily liable on or with respect to the Lease, all in such manner and at such time or times as Lender may reasonably deem advisable. Lender shall as soon as practicable after the exercise of any of the powers, rights and privileges herein granted to it, give to Debtor written notice of the same, but the failure of Lender to give such notice shall not relieve, modify or affect the obligations of Debtor hereunder.

A. REPRESENTATION AND WARRANTIES - Debtor represents, warrants and agrees that

1. There have been delivered to and accepted by the Lessee pursuant to the Lease, units of Equipment having an aggregate Acquisition Cost (as stated in the Lease) equal to at least 133.33% of principal amount of the Notes. The Lease provides for the payment, on or before the installment payment dates of the Notes, of rentals in amounts at least equal to the amounts of such installments of principal and interest under the Notes. The counterpart of the Lease, including the Rental Schedules which have been designated as chattel paper under the Uniform Commercial Code has been delivered to Lender;

2. The Debtor has good and marketable title to the units of Equipment referred to in subparagraph 1 above, and such units are and will continue to be free and clear of all liens, claims and encumbrances except the rights of the Lessee under the Lease, and the interests of the Lender;

3. The Debtor and the consolidated group of which it is a member have, to the Debtor's knowledge, filed all tax returns, federal, state, municipal or otherwise, required to be filed and are not in default in respect of the due and punctual payment of any taxes payable thereunder, and no liens for the nonpayment of taxes by Debtor or such consolidated group exists upon any property, including the Equipment, of the Debtor;

4. No event has occurred which is an Event of Default (or with the passage of time or the giving of notice or both would be such an Event of Default) hereunder or under the Lease;

5. Debtor is a corporation validly existing, duly organized and in good standing under the laws of the Commonwealth of Pennsylvania; it is duly qualified and authorized to do business wherever the nature of its property or its activities requires such qualifications and authorizations; it has full power, authority and legal right to borrow the aggregate amount evidenced by the Notes, to execute and deliver this Agreement, the Notes, the Participation Agreement, the Lease, the Lease Assignment and the Purchase Agreement Assignment, and to perform and observe the terms and provisions thereof; this Agreement, the Participation Agreement, the Lease, the Lease Assignment and the Purchase Agreement Assignment, and the Notes when issued for value, will constitute valid and binding obligations of the Debtor enforceable (within legal limits imposed by Federal Bankruptcy Laws or laws relating to or affecting creditor's rights generally) in accordance with the respective terms hereof and thereof;

6. The making and performance by the Debtor of this Agreement, the Participation Agreement, the Lease, the Lease Assignment and the Purchase Agreement Assignment, and the borrowing and execution and delivery of the Notes have been duly authorized by all necessary corporate action and will not violate any provision of law or of the Debtor's articles of incorporation or by-laws or constitute a default under or result in the creation of any lien, charge or encumbrance upon any property or assets of the Debtor pursuant to any agreement, indenture or other instrument to which the Debtor is a party or by which it may now be bound;

7. There are no actions, suits, or proceedings pending or, to the knowledge of the Debtor, threatened, against or affecting the Debtor in any court or by or before any government department, agency or instrumentality in which any adverse decisions might materially affect the ability of the Debtor to perform its obligations hereunder, under the Notes, the Participation Agreement, the Lease, the Lease Assignment and the Purchase Agreement Assignment; and

8. Without Lender's prior written consent so long as the Notes remain unpaid, Debtor will not grant any waiver or consent under the Lease, give any notice thereunder or otherwise exercise any rights, powers, or remedies of the Lessor thereunder, or agree to any release of any obligation of the Lessee thereunder or to any modification, amendment or any termination thereof.

9. Debtor is not an entity subject to the jurisdiction of the Interstate Commerce Commission.

B. DOCUMENTATION - The Debtor will execute and deliver to Lender such documents identifying the Equipment as Lender may from time to time reasonably request. In addition, the Debtor will execute, acknowledge, deliver, file and record (or caused to be filed and recorded) all such documents, including financing statements, and take all such other action as may be necessary or as Lender may reasonably request, to perfect and continue perfected under applicable laws the security interests granted hereby as first lien security interests in the Collateral, and the Debtor hereby irrevocably constitutes and appoints Lender its attorney-in-fact for such purposes, with full power of substitution. The Debtor also will execute and deliver such instruments and take all such other action as Lender may reasonably request to effectuate the purposes of this Agreement and to secure the rights and remedies conferred upon Lender hereunder.

C. DEFAULT - Each of the following will constitute an event of default hereunder ("Event of Default"):

1. The failure by Debtor to pay any amount of principal of or interest on the Notes when due, whether at the maturity thereof or by reason of any requirement for the prepayment thereof, by acceleration or otherwise, and such failure shall continue for five days after Lender shall have given the Debtor written notice thereof;

2. The failure by Debtor to pay any other amount or perform any other obligation required by this Agreement, the Lease, the Lease Assignment and the Participation Agreement, and such failure shall continue for 30 days after Lender shall have given the Debtor written notice thereof;

3. The occurrence of an Event of Default under the Lease (as defined therein); or

4. The adjudication of the Debtor as bankrupt or insolvent, or the entry of an order appointing a receiver or trustee for the Debtor or any of its property or approving a petition seeking reorganization, arrangement, composition, adjustment of debts, liquidation or dissolution under the Bankruptcy Act or any similar law of the United States or any state or other competent jurisdiction,

COMMONWEALTH OF PENNSYLVANIA :

ss:

COUNTY OF _____ :

On this _____ day of _____, 1979, before me personally appeared _____, to me personally known, who, being by me duly sworn, says that he is _____ of CONSOLIDATED RAIL CORPORATION that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

(Notarial Seal)

Notary Public

My Commission expires:

or the filing by the Debtor of a petition or answer seeking or consenting to any of the foregoing, or making by the Debtor of a general assignment for the benefit of creditors.

5. The occurrence of a breach by Debtor of any of its representations, warranties and agreements under paragraph A hereof and such failure shall continue for 30 days after Lender shall have given Debtor written notice thereof.

D. REMEDIES - At any time after the occurrence of an Event of Default and while the same remains uncured, Lender may declare, by written notice to the Debtor, the entire unpaid balance of the principal of the Notes and interest accrued thereon to be immediately due and payable, and, in addition, Lender shall have and may exercise all the rights and remedies of a secured party under the applicable Uniform Commercial Code, including the right, subject to prior rights of the Lessee under the Lease, to take possession of any Equipment or other Collateral not then in Lender's possession and to dispose of it, or the Debtor's interest therein, at public or private sale, at which Lender, subject to the provisions of applicable law, may be the purchaser.

Any notice or any such sale required by law shall be reasonably and sufficiently given if given to the Debtor at least 15 days prior to the date thereof at the address and in the manner herein provided for notices. The proceeds shall be applied to the cost and expenses of collection and retaking as set forth in paragraph G hereof and then shall be applied to the obligations secured by this Agreement in accordance with the provisions of paragraph I hereof and Debtor will be entitled to any surpluses thereafter. No delay or omissions on Lender's part to exercise any right hereunder will impair any such right or be construed as a waiver of any default or any acquiescence therein.

No waiver of any default hereunder will affect any later default or impair any of Lender's rights hereunder. No single, partial or full exercise of any rights by Lender will preclude further or other exercise thereof. The remedies provided for herein shall not be deemed exclusive, but are cumulative and in addition to all other remedies available under applicable law.

E. LIMITATION OF THE DEBTOR'S LIABILITY - It is understood and agreed that all payments to be made by the Debtor under or pursuant to this Agreement and to the Notes will be made only from the "income and proceeds from the Equipment" (as defined in this paragraph) and the Debtor's liability hereunder, under the Notes and all other documentation to the transaction shall be limited thereto. For recovery upon default by the Debtor in the payment or performance of any of its obligations hereunder, under the Notes and other documentation to the transaction. Lender will have resort solely to the "income and proceeds from the Equipment" and not to any other property of the Debtor. Lender will not proceed for the collection of any amount payable thereunder and under the Notes against, or execute upon, any other assets of the Debtor. Any judgment entered

in any action for recovery of any amount due hereunder and under the Notes against the Debtor will not be a lien against any other property of the Debtor, and Lender agrees to execute and deliver all documents and take all such other action as may be necessary to release of record from any such lien such other property of the Debtor. As used herein the term "income and Proceeds from the Equipment" means:

1. if an Event of Default shall have occurred hereunder and while it shall be continuing so much of the following amounts as are indefeasibly received by the Debtor under the Lease or by the Lender as Assignee pursuant to the Assignment at any time after such occurrence and during the continuance thereof; (a) all amounts paid pursuant to the Lease, including all rentals, late charges in respect thereof, and amounts in respect of Events of Loss (as defined in the Lease), and (b) any and all payments or proceeds so received by the Debtor under the Lease or the Lender as Assignee for or with respect to the Equipment as the result of the sale, lease or other disposition thereof and after deducting all costs and expenses of such sale, lease or other disposition (including sales and transfer taxes, legal fees and expenses, and storage and delivery charges), and (c) any and all sums received by Debtor under Section 4 of the Lease; and

2. at any other time, only that portion or the amounts referred to in the foregoing clauses (1) (a) and (1) (b) as are indefeasibly received by the Debtor or the Lender as Assignee and shall equal the portion of the unpaid principal balance of the Notes, accrued interest thereon and all other amounts payable by the Debtor hereunder, to the extent then due thereunder or hereunder (including prepayments in respect of Events of Loss); it being understood that "income and proceeds from the Equipment" shall in no event include amounts referred to in the foregoing clauses (a) and (b) which were received by the Debtor or the Lender as Assignee when no such Event of Default had occurred and was continuing and which exceeded the amount required to discharge the portion of the unpaid principal balance of the Notes, accrued interest thereon and amounts payable by the Debtor hereunder due and payable on the date when such amounts were received by the Debtor or the Lender as Assignee or were required to be paid to it pursuant to the Lease.

Nothing herein contained shall limit, restrict, or impair Lender's right to accelerate payment of the Notes upon the occurrence of an Event of Default, to bring suit and obtain a judgment against the Debtor on the Notes or this Agreement for the full amount of the unpaid principal of the Notes, interest thereon and all other amounts payable by the Debtor pursuant hereto (provided that the liability of the Debtor on any such judgment and the satisfaction thereof shall be limited as hereinabove provided), or to exercise (subject to the rights of Lessee under the Lease) Lender's rights and remedies hereunder with respect to the Collateral, including the Equipment and the Lease (including the right to enforce Lender's rights under the Lease and to dispose of the Equipment and the Lease and to recover from the proceeds thereof the

full amount of the unpaid principal of the Notes, interest thereon and all other amounts payable by the Debtor pursuant hereto).

F. PREPAYMENT OF NOTES - If any amount shall become due and payable to the Debtor or the Lender as Assignee pursuant to Section 3.5 of the Lease because of an Event of Loss, then, thereupon, a like aggregate amount will be immediately due and payable on account of the principal of and interest accrued on the Notes issued in connection with the acquisition of the equipment suffering such loss. In the event of any partial prepayment of the principal of the Notes pursuant to the first sentence of this paragraph F, the amount of each installment payment thereon thereafter coming due will be reduced by an amount which bears the same proportion to the amount of such installment which would have been due in the absence of such prepayment as the amount of such principal prepayment bears to the unpaid principal balance outstanding immediately prior to such prepayment, and the Debtor shall promptly prepare and distribute to the holder of the Notes revised schedules of payment reflecting such prepayment.

G. COLLECTION EXPENSES - Subject to the provisions of the preceding paragraph E hereof, in addition to all other amounts payable hereunder and under the Notes, the Debtor will pay all Lender's reasonable expenses including attorney's fees, incurred in enforcing its rights and remedies hereunder, under the Notes or under the Lease. If Lender brings suit (or files any claim or petition in any bankruptcy, reorganization, insolvency or other proceeding) to enforce any of its rights (or other recovery or relief), Lender may recover in such action (or other proceeding), in addition to all other amounts payable hereunder and thereunder, its reasonable expenses in connection therewith, and the same shall be included in such judgment (or other form of award).

H. COLLECTION OF RENTALS - Until Lender may give Debtor and Lessee notice to the contrary, Debtor will on behalf of itself and Lender collect and receive from the Lessee all rentals and other money payable pursuant to the Lease, and the Debtor may take all such action as may be necessary or desirable to demand, enforce, collect, receive and receipt for all such payments and to otherwise enforce compliance by Lessee with all terms and provisions of the Lease. Upon the Debtor's indefeasible receipt of any such payment or other "income and proceeds from the Equipment" (as defined in paragraph E hereof) Debtor will promptly remit to Lender so much thereof as may equal any amount then due and payable under the Notes, and Debtor may retain the balance. If pursuant to the rights herein granted, Lender shall indefeasibly collect or receive any "income and proceeds from the Equipment" (as so defined), then, so long as no Event of Default hereunder shall have occurred and be continuing, Lender will remit promptly to Debtor the amount so collected or received which exceeds amounts then due under the Notes or hereunder.

I. APPLICATION OF PAYMENTS - All payments indefeasibly received by the Lender and which are applied to the satisfaction of Debtor's obligations under the Notes and this Agreement shall be applied, first, to the payment of costs and expenses due to the Lender pursuant to paragraph G, if any, second, to the payment of all accrued interest on the Notes, and thereafter to payment of the principal and all amounts payable thereunder. Payments indefeasibly received by the Lender in excess of the amounts necessary to satisfy Debtor's obligations as aforesaid shall be remitted to Debtor.

J. EXCHANGE OF NOTES - Upon surrender of any Note at the office of the Debtor, the Debtor, at the request and at the expense of the Lender, will execute and deliver new Notes in exchange, in denominations requested by such Lender, in an aggregate principal amount equal to the unpaid principal amount of the surrendered Note. Such new Note shall be payable to such party as the Lender may request, shall be substantially in the form of the Note, with appropriate changes, shall be dated and bear interest at the same rate as the surrendered Note from the date to which interest has been paid on the surrendered Note. When issued, such Note shall be deemed to be included in the term "Note" as used herein. All provisions of this paragraph J shall be subject to applicable federal and state securities statutes and if registration is required for the exchange provided for herein, such registration shall be at Lender's own cost and expense.

K. MULTIPLE NOTES - If more than one Note is outstanding at the time any application of payments is made pursuant hereunder, the application shall be made on all outstanding Notes ratably in accordance with the principal amount remaining unpaid thereon and on the installments of each Note, respectively.

L. NOTICES - All notices, declarations, requests, consents and other communications given hereunder or in connection herewith or with the Notes shall be in writing and delivered or deposited in the United States mail, registered or certified, postage prepaid, addressed to Debtor at its address stated above and to the Lender at its address stated below, or to such other address as either may hereafter specify by written notice to the other.

M. APPLICABLE LAW - This Agreement is being delivered and is intended to be performed in the Commonwealth of Pennsylvania. This Agreement and the Notes shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the laws of the Commonwealth of Pennsylvania.

N. SUCCESSORS AND ASSIGNS - This Agreement will bind and inure to the benefit of the respective successors and assigns of the parties hereto, including any holder, as such, of the Notes. By acceptance of an assignment hereof or of the Notes, each of the Lender's successors or assigns (including any holder, as such, of the Notes) will be deemed to have agreed to be bound by the provisions hereof and of the Notes and Lender's undertakings hereunder and thereunder, especially including the provisions of Section E, entitled "Limitation of the Debtor's Liability".

O. SEVERABILITY - If any provision of this Security Agreement is prohibited by, or is unlawful or unenforceable under, any applicable law of any jurisdiction, such provisions shall, as to such jurisdiction, be ineffective to the extent of such prohibition without invalidating the remaining provisions hereof; provided, however, that any such prohibition in any jurisdiction shall not invalidate such provision in any other jurisdiction; and provided further, that where the provisions of any such applicable law may be waived, they hereby are waived by Debtor to the full extent permitted by law to the end that this Security Agreement shall be deemed to be a valid and binding agreement in accordance with its terms.

EXECUTED the date first above written.

Attest:

(CORPORATE SEAL)

Secretary

MTV LEASING CORPORATION

By _____
President

Attest:

(CORPORATE SEAL)

Secretary

THE OHIO NATIONAL LIFE INSURANCE COMPANY

By _____

COMMONWEALTH OF PENNSYLVANIA :
COUNTY OF _____ : ss:

On this _____ day of _____, 1979, before me personally appeared _____, to me personally known, who, being by me duly sworn, says that he is PRESIDENT of MTV LEASING CORPORATION that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

(Notarial Seal)

Notary Public

My Commission expires:

STATE OF OHIO :
COUNTY OF _____ : ss:

On this _____ day of _____, 1979, before me personally appeared _____, to me personally known, who, being by me duly sworn, says that he is _____ of THE OHIO NATIONAL LIFE INSURANCE COMPANY that one of the seals affixed to the foregoing instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

(Notarial Seal)

Notary Public

My Commission Expires:

CONSENT AND AGREEMENT

The undersigned, CONSOLIDATED RAIL CORPORATION, the lessee (hereinafter collectively called the Lessee) named in the Lease (hereinafter called the Lease) referred to in the foregoing Assignment of Lease (hereinafter called the Assignment), hereby (a) acknowledges receipt of a copy of the Assignment and (b) consents to all the terms and conditions of the Assignment and agrees that:

(1) Lessee will pay all rentals, casualty payments, liquidated damages, indemnities and other moneys provided for in the Lease (which moneys are hereinafter called the Payments) due and to become due under the Lease or otherwise in respect of the Equipment leased thereunder, directly to whomsoever the Assignee may from time to time direct; however, until the Assignee shall give the Lessee written notice to the contrary, Lessee acknowledges and understands that Payments shall continue to be made to the Lessor as provided in the Lease;

(2) the Assignee shall be entitled to the benefits of, and to receive and enforce performance of, all the covenants to be performed by the Lessee under the Lease as though the Assignee were named therein as the Lessor;

(3) the Assignee shall not, by virtue of the Assignment, be or become subject to any liability or obligation under the Lease or otherwise; and

(4) the Lease shall not, without the prior written consent of the Assignee, be terminated or modified, nor shall any action be taken or omitted by the Lessee the taking or omission of which might result in an alteration or impairment of the Lease or the Assignment, or of any of the rights created by either thereof.

This Consent and Agreement shall be deemed to be a contract made and effected under the laws of The Commonwealth of Pennsylvania and, for all purposes, shall be construed in accordance with the laws of said Commonwealth.

Dated: August 15, 1979

CONSOLIDATED RAIL CORPORATION

Attest: _____

By _____

(CORPORATE SEAL)